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**FOR IMMEDIATE RELEASE**

**Allegheny Energy Supply Signs Tolling Agreement  
With Nevada Generating Facility for 222 MW**

**Hagerstown, Md., May 11, 2001** -- Allegheny Energy, Inc. (NYSE:AYE) announced today that its electric generation subsidiary, Allegheny Energy Supply Company, LLC, has signed a 15-year, natural gas tolling agreement with Las Vegas Cogeneration II for 222 megawatts (MW) of generating capacity. The contract is part of Allegheny Energy Supply's continued effort to build its presence as a national energy merchant.

Under the terms of the contract, Allegheny Energy will have control of a 222-MW natural gas-fired, combined cycle generating facility in Las Vegas, Nev., beginning in the third quarter 2002. The output will be sold into the Western Systems Coordinating Council by the Company's energy marketing, trading, and risk management subsidiary, Allegheny Energy Global Markets.

Michael P. Morrell, President, Allegheny Energy Supply, said, "This tolling agreement is part of Allegheny Energy Supply's continued growth strategy to expand into western U.S. markets. This contract will give us control of more than 2,300 MW to sell into western states by 2005."

Allegheny Energy Supply previously announced that it would build a 1,080-MW natural gas-fired, combined cycle generating facility in La Paz County, Ariz. The Company also recently announced a 10-year contract to sell up to 1,000 MW to the California Department of Water Resources.

**About Allegheny Energy Supply**

Allegheny Energy Supply operates and markets competitive retail and wholesale generation in markets throughout the United States and operates regulated generation for its affiliates. With its recently announced acquisitions and expansion plans, Allegheny Energy Supply will have ownership or control of generating capacity of more than 14,000 MW, with assets strategically located throughout the United States.

**About Allegheny Energy**

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. We have been named to the *Fortune* 500 list, the Standard and Poor's 500 index, and the *Forbes* "Platinum 400" list. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy and natural gas to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *Allegheny Energy Supply Company, LLC*, which operates and markets competitive retail and wholesale electric generation and operates regulated electric generation for its affiliates; and *Allegheny Ventures*, which actively invests in and develops telecommunications and energy-related projects. For more information, visit our web site at [www.alleghenyenergy.com](http://www.alleghenyenergy.com).