

Jay Mason
Corporate Communications
Phone: 301-790-6140
Media Hotline: 1-888-233-3583

FOR IMMEDIATE RELEASE

Allegheny Energy's Friendship Technology Park Receives Grant from TEDCO
Award will Support Study of High-Tech Business Incubator at Center

Hagerstown, Md., May 18, 2001 – The Maryland Technology Development Corporation (TEDCO) has awarded Allegheny Energy, Inc. (NYSE: AYE) a \$25,000 grant to study the feasibility of developing a business incubator for new high-tech companies at the Company's Washington County-based Friendship Technology Park. The facility could attract numerous start-up companies and leading-edge tenants to the park, providing new economic growth opportunities for the region and supporting Allegheny Energy's corporate strategy of seeking new business opportunities that add to shareholder value.

The grant was awarded to Allegheny Ventures, Allegheny Energy's new business subsidiary that is developing Friendship Technology Park, from TEDCO's New Incubator Assistance Program. The program is designed to assist local officials throughout Maryland in the development of business incubators, which are facilities that promote the success of various start-up businesses by providing them shared access to technology infrastructure, support services, and relationships they can build with other entrepreneurs.

"Through grants like this one to Friendship Technology Park, TEDCO is ensuring that western Maryland and all areas of the state have the opportunity to explore the building of world-class incubators that can promote numerous economic benefits in their communities," said Dr. Phillip Singerman, President of TEDCO.

Paul M. Barbas, President, Allegheny Ventures, said, "We are thrilled to be awarded this important grant, which is a significant step forward in the development of our Friendship Technology Park. The feasibility study could lead to a dynamic facility that spurs the growth of technology-based businesses at the park – an important part of our overall corporate growth strategy – and bring economic development benefits to the entire region."

Located adjacent to Allegheny Energy's corporate headquarters south of Hagerstown, the 400-acre Friendship Technology Park is a campus-style business park designed to attract a variety of businesses and facilities, including offices, headquarters, biotechnology companies, information technology firms, and research and development businesses. Construction at the park is expected to start later this year.

The proposed incubator would assist high-tech companies during their critical early years after start-up by providing access to an expanded telecommunications infrastructure planned for the park and high-speed access to the state's communications network.

“A business incubator would be an ideal tenant for Friendship Technology Park,” said Barbas. “The high-tech companies and highly skilled jobs we want to attract to the park are a perfect fit with the mission of an incubator. Incubator tenants would not only benefit from access to the park's ample telecommunications infrastructure, but they could share expertise, ideas, and develop business relationships with other start-ups and established businesses on a day-to-day basis.”

The feasibility study would investigate how a business incubator could promote the growth of technology businesses in the area, as well as examine how such a center would complement existing business incubators, such as the Technical Innovation Center at Hagerstown Community College.

In addition to the \$25,000 grant from TEDCO, the study is being supported by a \$10,000 contribution from Allegheny Energy, \$10,000 from Cisco Systems, Inc., \$3,000 from the Washington County Commissioners, and \$2,000 from the Maryland Information Technology Center. The study is expected to be completed by early fall.

TEDCO was established by the Maryland General Assembly as a tool to maintain and enhance the state's reputation as a leader in technology. TEDCO's mission is to foster the development of a technology economy that will create and sustain businesses throughout all regions in the State of Maryland. Currently, TEDCO has programs that aid and promote state-funded incubators and assist federal and university laboratories to increase technology transfer.

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.