



## NEWS RELEASE

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Allen Stagers  
Manager, Communications  
Phone: 724-830-5433  
Media Hotline: 1-888-233-3583

### **FOR IMMEDIATE RELEASE**

#### **Allegheny Energy's Land Management Plan wins industry award for excellence**

**Hagerstown, Md., June 27, 2001** – Allegheny Energy, Inc. (NYSE: AYE) was named first-place winner of the Southeastern Electric Exchange (S.E.E.) “Industry Excellence in Real Estate and Right-of-Way” awards program for its innovative, ecologically protective real estate and right-of-way land management program. The award is given annually by the S.E.E., a trade association of investor-owned electric utilities, to the member initiating or implementing the most outstanding real estate and right-of-way project.

“Allegheny Energy owns and manages more than 60,000 acres of conservation land in portions of Maryland, Pennsylvania, and West Virginia,” says George Yost, Land Management Specialist for Allegheny Energy. “The land holdings, purchased primarily for the development of power generating plants, have become part of a model land management plan that demonstrates the Company’s environmental stewardship, promotes biodiversity, and enhances shareholder value by characterizing, enhancing, and preserving ecological resources.

“We take our role as good corporate citizens seriously and strive to ensure that society benefits from the many ecological services our land holdings provide,” says Yost.

Through an ongoing partnership with the Electric Power Research Institute (EPRI), Allegheny Energy was able to assess the economic and societal benefits of protecting wetlands, forested watersheds, and important plant and animal species. The property was then formally appraised to include the value of these ecological assets. “The basis for ecological valuation is accurate characterization,” says William Coleman, Director of EPRI's Eco-Solutions program. “Because of Allegheny Energy’s innovation and sense of social responsibility, shareholders will be rewarded in today’s environmental marketplace.”

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“Allegheny Energy is turning what was once considered intangibles, such as wetlands and endangered species, into environmental assets,” says Richard S. Herd, Water Resources Manager for Allegheny Energy, who accepted the award today at the association’s annual conference in Miami, Florida. “By quantifying the ecological services -- such as atmospheric regulation, water control and purification, and wildlife habitat -- that ecosystems provide to society, we are able to offset other environmental liabilities, sell, or trade them to other companies, or donate them as a charitable contribution. As environmental bank and trade markets continue to develop and mature, smart landowners will quantify the true value of their environmental holdings and be rewarded for preserving and/or enhancing their forests or wetlands,” says Herd.

A panel selected by the S.E.E. judged the entries based on selective criteria, including innovation; improvements; the success, effectiveness, and complexity of the program; and the program’s value to shareholders. Earlier this year, the Company received national recognition by earning a *Right-of-Way Vistas* Lines of Distinction Award for excellence in vegetation management practices on utility rights-of-way.

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).