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**FOR IMMEDIATE RELEASE**

**Allegheny Energy Completes Acquisition of Fellon-McCord & Associates, Inc.  
and Alliance Energy Services Partnership**

**Hagerstown, Md., November 2, 2001** – Allegheny Energy, Inc. (NYSE: AYE) announced today that it has, through its unregulated subsidiary, Allegheny Ventures, Inc., completed the acquisition of Fellon-McCord & Associates, Inc., a natural gas and electricity consulting and management services firm, and Alliance Energy Services Partnership, a provider of natural gas supply and transportation services. The transaction, which is being accounted for as a purchase, is expected to be accretive to Allegheny Energy's earnings per share in 2002.

Based in Louisville, Ky., Fellon-McCord & Associates and Alliance Energy Services Partnership will add gas procurement and management services to Allegheny Energy's current offerings, firmly establishing the Company's ability to provide comprehensive energy-related solutions to customers in markets throughout the country. In addition to these new services, Allegheny Energy will continue to provide the design, construction, and operation of distributed generation, cogeneration, and energy management services to municipalities, governmental institutions, utilities, and large industrial customers across the nation.

As part of the transaction, Allegheny Energy has established a long-term strategic relationship with Conoco Inc. (NYSE: COC), a producer and marketer of natural gas, which will provide gas supply and wholesale marketing services to Alliance Energy Services Partnership.

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. It has 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 develops, owns, and operates electric generating facilities and supplies and trades energy and energy-related commodities in selected domestic retail and wholesale markets; and *Allegheny Ventures*, which invests in and develops telecommunications and energy-related projects. For more information, visit our web site at [www.alleghenyenergy.com](http://www.alleghenyenergy.com).

***Forward-Looking Statement***

*Certain statements contained herein constitute forward-looking statements with respect to Allegheny Energy, Inc., including as to the status of the IPO and development activities by Allegheny Energy Supply. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of Allegheny Energy to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors may affect Allegheny Energy's operations, markets, products, services, prices, capital expenditures, development activities, and future plans. Such factors include, among others, the following: changes in general, economic, and business conditions; changes in the price of electricity and natural gas; changes in industry capacity; changes in technology; changes in financial and capital market conditions; changes in political and social conditions, deregulation activities and the movement toward competition in the states served by our operations; the effect of regulatory and legislative decisions; the consequences of the separation of the operations of Allegheny Energy; regulatory approvals and conditions; the loss of any significant customers; litigation; and changes in business strategy or business plans.*