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**FOR IMMEDIATE RELEASE**

**Allegheny Energy Supply Will Participate in Equity Partnership,  
Tolling Agreement for 79 MW**

**Hagerstown, Md., November 20, 2001** -- Allegheny Energy, Inc. (NYSE:AYE) announced today that its generation subsidiary, Allegheny Energy Supply, will participate through a subsidiary in an equity partnership with SEF Development, Ltd., and enter into a long-term, natural gas tolling agreement for 79 megawatts (MW) of generating capacity in New York City. The project is part of Allegheny Energy Supply's continuing effort to build its presence as a national energy merchant.

"This project is part of Allegheny Energy Supply's growth strategy and represents the Company's first generating capacity located in New York City," said Michael P. Morrell, President, Allegheny Energy Supply. "It will help alleviate the tight generation supply in New York City during times of peak energy demand."

Under the terms of the agreement, Allegheny Energy Supply will acquire a 50 percent interest in the 79-MW barge mounted, natural gas-fired combustion turbine generating facility to be located in the Brooklyn Navy Yard. Additionally, Allegheny Energy Supply will have control of the entire output beginning when the plant comes on-line in summer 2002.

**About Allegheny Energy**

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 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).

**About SEF Development**

SEF Development is a New York City-based developer of independent generating facilities concentrating in the in-City market. In addition to this 79 MW barge mounted project that will be jointly owned and operated with Allegheny, SEF is currently developing a 520-MW barge mounted project, also in Brooklyn.