



FOR IMMEDIATE RELEASE

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PJM West Goes into Operation

*World's Largest Competitive Wholesale
Electricity Market Grows Larger*

Greensburg, PA, and Valley Forge, Pa., April 1, 2002 – Allegheny Power, the energy delivery business of Allegheny Energy, Inc. (NYSE: AYE) and PJM, the electric grid operator for the mid-Atlantic region, announced that at midnight today PJM's successful wholesale electricity market began operating in Allegheny Power's five-state service territory.

The collaboration between Allegheny Power and PJM is known as PJM West. It brings Allegheny Power's transmission system under PJM's functional control. For the first time nationally, an integrated energy market and congestion management system is operating under a single governance structure in two separate control areas and across multiple North American Electric Reliability Councils.

The larger energy market provides one market with a common transmission tariff, business practices and market tools, thus eliminating seams issues between Allegheny Power and PJM.

“With the implementation of PJM West, Allegheny Power and our customers enter the most successful energy market in the nation and both will benefit from enhanced reliability and an expanded market,” said Jay S. Pifer, president of Allegheny Power.

Pifer and Phillip G. Harris, president and chief executive officer of PJM, marked the inauguration of PJM West in a satellite broadcast to the companies' collective 6,500 employees.

“We're pleased to have Allegheny Power become a part of PJM,” said Harris. “PJM West is another demonstration that the integration of system operation and market functions into a regional transmission organization brings the benefits of competitive wholesale electric markets to customers and the users of the electric power grid.”

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PJM West provides transmission service to all market participants in accordance with the requirements of FERC Order 2000. Transmission ties between PJM and PJM West are dynamically scheduled to support the integrated energy market. A new control center in Greensburg provides transmission and generation coordination for the PJM West area. The PJM West arrangement is open to, and structured to accommodate, additional energy delivery participants.

The first financial transmission rights (FTR) auction that included both PJM and PJM West was successful and saw a significant increase in participation and the megawatts of FTR cleared. For example, the on-peak auction brought 2,904 bids and 34 sell offers with 1,295 buy bids and 26 sell offers clearing.

Allegheny Power, an Allegheny Energy company, delivers low-cost energy to three million people in parts of Maryland, Ohio, Pennsylvania, Virginia and West Virginia. For more information about Allegheny, visit www.alleghenypower.com.

PJM, the country's first fully functioning regional transmission organization, operates the world's largest competitive wholesale electricity market and one of North America's largest power grids. The company currently coordinates a pooled generating capacity of more than 67,000 megawatts and operates a wholesale electricity market with more than 200 market buyers, sellers and traders of electricity. PJM has administered more than \$9 billion in energy and energy service trades since the regional markets opened in 1997. More than 70 nations have sent delegates to PJM to learn about the market model and the operation of the grid in the mid-Atlantic states, including more than 25 million people in all or parts of PA, NJ, MD, DE, OH, VA, WVA and the District of Columbia. With the April 1, 2002, addition of PJM West, for the first time nationally two separate control areas now operate under a single energy market and a single governance structure across multiple North American Electric Reliability Councils. Visit PJM at www.pjm.com.

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Note to media: PJM is planning a Media Day, Monday, May 6 in Washington, D.C. At the event, Phillip G. Harris, PJM president and chief executive officer, and Jay S. Pifer, Allegheny Power president, will highlight the first month of PJM West's operation. In addition, PJM will celebrate the company's 75th anniversary as well as offer information on other timely topics. For information: 866-PJM-NEWS (756-6397) or 610-666-2200.