

Allen T. Stagers
Manager, Communications
Phone: 724-830-5433
Media Hotline: 888-233-3583
E-Mail: AENews@alleghenyenergy.com

FOR IMMEDIATE RELEASE

Allegheny Power participates in forum on future of energy markets

Greensburg, Pa., May 9, 2002 – Allegheny Power, the energy delivery business of Allegheny Energy, Inc. (NYSE: AYE), was an active participant in the national “DISCO of the Future Forum,” sponsored by the Center for the Advancement of Energy Markets (CAEM).

“We support the efforts of this group to help define the future roles of electric and natural gas distribution companies – known as ‘DISCOs’ – in a competitive environment,” said Ronald A. Magnuson, Vice President, Customer Affairs, for Allegheny Power. “As a leading energy delivery company serving five states, Allegheny Power was eager to participate in this forum and offer our insight and expertise.”

A group of about 50 industry leaders looked at the changing role of utility companies from vertically integrated and regulated entities into “unbundled” businesses whose functional components – such as exploration, production, generation, transmission, distribution, marketing, customer care, and energy services – are separated from one another and reorganized along lines of business. The group’s findings, which resulted from meetings held over the past year and a half, were issued in a report released at a press conference today.

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.

The CAEM is a not-for-profit corporation founded in May 1999 to chronicle and understand changes in domestic and global energy markets brought about by technological change and policy developments; expound a market-oriented vision for energy markets; develop consensus on mission-critical issues relating to the success of energy restructuring; and persuade and encourage key public policy, consumer, and corporate decision makers to implement changes to achieve a market-oriented vision. The organization can be reached at 202-496-4972 or online at www.caem.org.

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