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**FOR IMMEDIATE RELEASE**

**Allegheny Energy Supply holds ceremonial groundbreaking  
for Indiana generating facility**

*Company donates \$150,000 for new ambulances*

**Hagerstown, Md., May 16, 2002** – Allegheny Energy Supply, the generating and trading subsidiary of Allegheny Energy, Inc. (NYSE: **AYE**), held a ceremonial groundbreaking today for its 630-megawatt (MW) natural gas, combined-cycle generating facility in St. Joseph County, Ind. This \$460-million electric generating facility will support Allegheny Energy Supply's growth strategy of owning or controlling more than 14,500 MW of generating capacity by 2005.

"Construction of the St. Joseph Generating Facility marks the first major expansion of Allegheny generating facilities outside of the Mid-Atlantic Region, where we have operated as a franchised energy provider for more than 100 years," said Michael P. Morrell, President, Allegheny Energy Supply, during afternoon ceremonies. "This plant complements our presence in the Midwest region where we already have 1,710 MW of generation and moves us further westward in our national expansion."

As part of the ceremony, Allegheny Energy Supply donated \$150,000 as the first of two installments for new ambulances in St. Joseph County.

"We have had a very warm reception here in St. Joseph County, and we are very appreciative of the support from the local community," he said. "So in keeping with our philosophy of supporting the communities where we have generating facilities, we are pleased to contribute to this worthwhile purchase of new ambulances to serve the people of St. Joseph County."

Located about 10 miles west of South Bend near New Carlisle, the facility will be built on a 100-acre tract that is within the St. Joseph County Economic Development District No. 2. At peak construction, approximately 400 craft laborers will be employed at the facility. The generating facility is expected to be completed and in operation by mid-2004.

Allegheny Energy Supply develops, owns, and operates electric generating facilities and supplies and trades energy and energy-related commodities in selected domestic retail and wholesale markets. With its recently announced acquisitions and expansion plans, Allegheny Energy Supply will have ownership or control of generating capacity totaling more than 14,500 MW by 2005, with assets strategically located throughout the United States. For more information about Allegheny Energy Supply, visit our web site at [www.alleghenyenergysupply.com](http://www.alleghenyenergysupply.com).