



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Announces Management Changes

Hagerstown, Md., September 5, 2002 – Allegheny Energy, Inc. (NYSE: AYE) today announced that, effective immediately, Michael P. Morrell, President of Allegheny Energy Supply Company, LLC, will assume direct responsibility for all energy trading and related activities within Allegheny Energy Supply, replacing Daniel L. Gordon, former President of Allegheny Energy Supply's trading division.

Allegheny Energy has terminated the employment of Daniel L. Gordon. As announced on July 30, 2002, Mr. Gordon had planned to leave the Company in 2003, as part of Allegheny Energy's efforts to refocus its business strategy, which included reduced reliance on trading. Today's announcement accelerates that planned departure. The decision comes as a result of an examination into a small number of business transactions initiated by Mr. Gordon that violated internal corporate policies regarding conflicts of interest. Although these transactions identified to date do not appear to have affected customers or any other third party, they represent unacceptable breaches of Company policy. Allegheny Energy has clear corporate policies in place that are strictly enforced to protect the best interests of all of its stakeholders. The Company's internal review is ongoing, however, based upon its examination to date, the Company does not believe that these transactions will require any adjustment to reported financial results or have any significant adverse effects on future results.

Allegheny also announced that Thomas J. Kalup has been named Vice President of Origination and Trading for the trading division of Allegheny Energy Supply. In this capacity, Mr. Kalup will report directly to Mr. Morrell and will oversee the previously announced refocusing of the Company's trading activities, while continuing the reorganization of that function. Mr. Kalup, who joined the Company in 1987, had been Director of Corporate Strategic Planning for Allegheny Energy. Since 1996, he has been involved in the Company's merchant energy sales, including planning and risk management activities.

With headquarters in Hagerstown, Md., Allegheny Energy is an integrated *Fortune* 500 energy company with a balanced portfolio of businesses, including Allegheny Energy Supply, which owns and operates electric generating facilities and supplies energy and energy-related commodities in selected domestic retail and wholesale markets; Allegheny Power, which delivers low-cost, reliable electric and natural gas service to about three million people in Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; and a business offering fiber-optic and data services, energy procurement and management, and energy services. More information about the Company is available at www.alleghenyenergy.com.