



NEWS RELEASE

For Media, contact:

Cynthia A. Shoop
Vice President, Corporate Communications
10435 Downsview Pike
Hagerstown, MD 21740-1766
Phone: 301-665-2718
Media Hotline: 1-888-233-3583
E-Mail: cshoop@alleghenyenergy.com

For Investor Relations, contact:

Gregory L. Fries
General Manager, Investor Relations
10435 Downsview Pike
Hagerstown, MD 21740-1766
Phone: (301) 665-2713
E-Mail: gfries@alleghenyenergy.com

M. Beth Straka
General Manager, Investor Relations
4350 Northern Pike
Monroeville, PA 15146-2841
Phone: (412) 856-3731
E-Mail: mstraka@alleghenyenergy.com

FOR IMMEDIATE RELEASE

Allegheny Energy Announces Delay in Release of Third Quarter Earnings and Expects to Delay Filing of Third Quarter Form 10-Q

Hagerstown, Md., November 4, 2002 – Allegheny Energy, Inc. (NYSE: AYE) announced today that it will delay the release of its third quarter earnings and expects to delay the filing of its 2002 third quarter Form 10-Q.

Earlier in the third quarter, after identifying miscalculations in business segment information included in its second quarter Form 10-Q, the Company initiated a comprehensive review of prior period financial statements and identified additional errors. This comprehensive review has not been completed. In addition, the Company is studying the valuation of its energy trading portfolio, in light of market conditions, and goodwill for potential impairment as required by the Statement of Financial Accounting Standards No. 142, “Goodwill and Other Intangible Assets.” Allegheny Energy continues to work with its independent accountants to conclude this comprehensive review and will provide more information as soon as it is available.

“We regret this delay in our reporting,” said Allegheny Energy Chairman, President, and Chief Executive Officer Alan J. Noia. “We intend to complete the comprehensive review process promptly and resume regular reporting as soon as possible. We remain confident in the fundamental soundness of our businesses and our back-to-basics strategy.”

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Allegheny Energy will release its third quarter earnings and file its third quarter Form 10-Q after the Company and its independent accountants have completed their review.

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.

Certain statements contained herein constitute forward-looking statements with respect to Allegheny Energy, Inc. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of Allegheny Energy to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors may affect Allegheny Energy's operations, markets, products, services, prices, capital expenditures, development activities, and future plans. Such factors include, among others, the following: changes in general, economic, and business conditions; changes in the price of electricity and natural gas; changes in industry capacity; changes in technology; changes in financial and capital market conditions; changes in political and social conditions, deregulation activities and the movement toward competition in the states served by our operations; the effect of regulatory and legislative decisions; regulatory approvals and conditions; the loss of any significant customers; litigation; and changes in business strategy or business plans.