



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Subsidiaries Receive Extensions on Waivers From Bank Lenders

Hagerstown, Md., November 27, 2002 – Allegheny Energy, Inc. (NYSE: AYE) announced today that its subsidiaries, Allegheny Energy Supply Company, LLC, and Allegheny Generating Company, have received extensions on waivers from bank lenders under their syndicated credit agreements. The waivers have been extended through December 31, 2002. Allegheny Energy and its subsidiaries are continuing discussions with their bank lenders under these and other facilities and are optimistic that they will reach an agreement that provides the necessary liquidity and funding for both near- and long-term financial flexibility.

On November 4, 2002, the Company announced that Allegheny Energy Supply and Allegheny Generating Company had received waivers, which extended through November 29, 2002, from their bank lenders with regard to certain covenants contained in their syndicated credit agreements.

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 <http://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.

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