



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Power announces lower natural gas rates

Charleston, W.Va., October 17, 2002—Mountaineer Gas Company and West Virginia Power Gas Service, both doing business as Allegheny Power, received approval from the Public Service Commission of West Virginia (PSC) to lower natural gas rates, effective with service rendered on and after Nov. 1, 2002. The new interim purchased gas rates will remain in effect until a final order is issued, which is expected before March 31, 2003.

The Company's cost for natural gas is reviewed annually by the PSC, and any changes are passed through to customers with no markup or profit margin.

Allegheny's Mountaineer Gas customers will continue to enjoy the lowest rates for natural gas service in the state, with an average residential customer using 13 thousand cubic feet (Mcf) per month, paying \$97.47 monthly, a reduction from \$97.92. This includes a monthly Customer Charge of \$6.00. Commercial and industrial rates will also be reduced slightly with the new rates.

The average West Virginia Power Gas Service residential customer will see their monthly bill reduced from \$120.79 to \$104.36, a 14 percent decrease. This includes the monthly Facilities Charge of \$6.00 and is based upon an average winter usage of 13 Mcf. The reduction in the purchased gas rate will also mean lower bills for commercial and industrial customers.

"The Company's goal is to provide quality, low-cost natural gas service to our more than 250,000 customers statewide," says Jay S. Pifer, President of Allegheny Power. "Everyone likes lower bills, so we are pleased that we can offer low rates in addition to our number-one-ranked customer service. We want our customers to know that we work hard to obtain the best price for the natural gas we purchase."

Allegheny Power will again contribute \$150,000 to the West Virginia Community Action Director's Association for its Weatherization Program to help reduce heating and cooling costs for low-income families. The program works to improve the energy efficiency of homes while ensuring the health and safety of family members, particularly the elderly, children, and people with disabilities.

Winter is just around the corner, and customers will be using more natural gas for heat and hot water. For tips on how to keep warm and hold down energy bills, customers can get a free copy of our brochure, "100 Ways to Help Control Your Energy Bill." Customers may download a copy of the brochure by visiting Allegheny Power's web site at www.alleghenypower.com or request a copy by calling our Customer Service Center at 1-800-Allegheny (1-800-255-3443).

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 our web site at www.alleghenypower.com.

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