



NEWS RELEASE

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FOR IMMEDIATE RELEASE

At Annual Meeting of Shareholders, Allegheny Energy, Inc. Chairman Reaffirms Commitment to Creating Shareholder Value

New York, N.Y., May 9, 2002 – By focusing on an integrated growth strategy, Allegheny Energy, Inc. (NYSE: AYE) has overcome challenges of the energy industry in 2001 to once again deliver on its promise of creating shareholder value, according to Alan J. Noia, Chairman of the Board, President, and Chief Executive Officer of Allegheny Energy.

At the Company's 2002 Annual Meeting of Shareholders today, Noia reported to shareholders in attendance that, "2001 was a good year for Allegheny Energy. Despite a difficult operating environment for energy companies in general last year, we continued to advance our corporate strategy and grow our business on a national level."

According to the Allegheny Energy Chairman, achieving record earnings topped the Company's list of accomplishments during 2001. Highlights of the past year included:

- An increase of 32 percent over the previous year's earnings per share and a 43-percent increase in net income;
- Expanding by one-third its owned and controlled generating capacity in competitive markets throughout the United States;
- Continuing a legacy of producing solid results in its top-notch energy delivery business;
- Acquiring and integrating an energy marketing and trading unit into the Company's energy supply business; and
- Receiving recognition among the nation's best companies as part of the *Fortune* 500, *Forbes* "Platinum 400," and S&P 500.

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Integral to Allegheny Energy's success are its efforts as a dedicated environmental steward and corporate citizen, Noia explained.

"We take very seriously our responsibility to protect and enhance the environment and are involved on a local, regional, and national level in issues such as global climate change and air and water quality," he said. "In short, we are committed to continuing to generate electricity more efficiently and in an environmentally sound manner."

In closing, Noia reaffirmed Allegheny Energy's commitment to producing positive results for shareholders.

"Our management team, our dedicated employees, and I are fully committed to creating shareholder value."

With headquarters in Hagerstown, Md., Allegheny Energy is an integrated *Fortune* 500 energy company with a balanced portfolio of businesses, including Allegheny Energy Supply, a national energy merchant 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 segment 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.