

Janice D. Lantz
Manager, Communications (Supply)
Phone: 412-858-1630
Media Hotline: 1-888-233-3583

FOR IMMEDIATE RELEASE

Allegheny Energy Supply receives approvals to build Indiana generating facility
Construction to begin in April 2002

Hagerstown, Md., April 10, 2002 – Allegheny Energy Supply, the generating and trading subsidiary of Allegheny Energy, Inc. (NYSE: AYE), announced today that it has received the approvals necessary to begin construction of a 630-megawatt (MW) natural gas, combined-cycle generating facility in St. Joseph County, Ind., and will begin construction of the facility later this month. The output from the electric generating facility will support Allegheny Energy Supply's growth strategy of owning or controlling more than 14,500 MW of generating capacity by 2005.

“Allegheny Energy Supply is pleased to move forward with the St. Joseph County Generating Facility,” said Michael P. Morrell, President, Allegheny Energy Supply. “The output from this facility will give us additional generating capacity in the Midwest to complement the 1,710 MW we already own in Indiana, Illinois, and Tennessee. Also, it will help strengthen the electric generation supply in Indiana and the surrounding region.”

Morrell noted that local support has played a key role in the continued success of the St. Joseph County project.

“We have received excellent support from state and local government officials as we have moved through the approval process for this project,” he added. “Our goal is to be a good corporate neighbor wherever we have generating facilities. We also have established a Community Advisory Panel to begin an on-going dialogue with our new neighbors in St. Joseph County.”

-more-

The St. Joseph County Generating Facility received its air quality and waste water discharge permits from the Indiana Department of Environmental Management in late 2001. Most recently, the Indiana Utility Regulatory Commission ruled in January 2002 that it declined to exercise regulatory jurisdiction over the generating facility, allowing the project to move forward.

Located about 10 miles west of South Bend in Olive Township, the facility will be built on a 100-acre tract that is within the St. Joseph County Economic Development District No. 2. Black & Veatch Construction, Inc. of Overland Park, Kan., will serve as EPC (Turnkey) contractor for the project, which will employ about 400 craftspeople at peak construction. The generating facility is expected to be completed by mid-2004.

Allegheny Energy Supply develops, owns, and operates electric generating facilities and supplies and trades energy and energy-related commodities in selected domestic retail and wholesale markets. With its recently announced acquisitions and expansion plans, Allegheny Energy Supply will have ownership or control of generating capacity totaling more than 14,500 MW by 2005, with assets strategically located throughout the United States. For more information about Allegheny Energy Supply, visit our web site at www.alleghenyenergysupply.com.