



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Pennsylvania Public Utilities Commission approves recovery of tax surcharge

Greensburg, Pa., January 4, 2002 – The Pennsylvania Department of Revenue has increased the gross receipts tax rate from 4.4 percent to 5.9 percent for electric distribution companies in the state, including Allegheny Power. The new rate is effective for calendar year 2002.

State law directs Allegheny Power to recover these increased tax charges by means of a State Tax Adjustment Surcharge (STAS) added to customer bills. The Pennsylvania Public Utility Commission has granted Allegheny Power permission to include the STAS on customer bills rendered between Jan. 1, 2002, and Dec. 31, 2002.

For the typical residential customer using 1,000 kilowatt-hours of electricity a month, bills will increase by \$1.06 a month from \$66.55 to \$67.61.

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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