



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Transfers 500 Acres to the West Virginia Department of Natural Resources

Hagerstown, Md., January 10, 2002 –Allegheny Energy, Inc. (NYSE: AYE) today announced that it has signed an agreement to transfer 500 acres of land to the state of West Virginia’s Department of Natural Resources. The land is adjacent to Blackwater Falls State Park in Tucker County. Governor Bob Wise and Jay S. Pifer, President of Allegheny Power, the energy delivery business of Allegheny Energy, signed an agreement yesterday at the Capitol Building in Charleston.

“Allegheny Energy is extremely pleased to make this land available to the state of West Virginia,” said Jay Pifer. “In 1954, we donated 934 acres to the state to create Blackwater Falls State Park. We are proud of our legacy in the region, and transferring this land is another demonstration of our long-standing commitment to environmental stewardship and working with public agencies to create quality recreational opportunities. Blackwater Falls, one of West Virginia’s most treasured landmarks, is famous throughout the region, and this additional property will help to protect and preserve the surrounding area.”

“One of our goals as stewards of the land in West Virginia is the protection of the special places held dear by our citizens,” stated Gov. Bob Wise. “For generations, we have enjoyed the beauty of the Blackwater Canyon. Now, with Allegheny Energy's sale of 250 acres and generous donation of an additional 250 acres, we can preserve the public's access to this land forever.”

The property lies northeast of Blackwater Falls State Park and borders both sides of the Blackwater River from the town of Davis to the park boundary. The additional lands will preserve and protect valuable plant and wildlife habitat as well as add new buffer zones to the park.

Blackwater Falls State Park is named for the falls of the Blackwater River whose dark-colored waters drop more than 65 feet. The park offers a wide range of recreational activities, including cross-country skiing, paddleboating, hiking, picnicking, swimming, tennis, bicycling, volleyball, and nature programs. Tucker County is a four-season outdoor recreational treasure—home to four state parks, the Monongahela National Forest, Canaan Valley National Wildlife Refuge, two federal wilderness areas, and two ski resorts.

Allegheny Energy, Inc. is a diversified energy company headquartered in Hagerstown, Md. It has been named to the *Fortune* 500 list, the Standard and Poor’s 500 index, and the *Forbes* “Platinum 400” list. The Allegheny Energy family includes *Allegheny Power*, which delivers electric energy and natural gas to about three million people in parts of Maryland, Ohio, Pennsylvania, Virginia, and West Virginia; *Allegheny Energy Supply Company, LLC*, which develops, owns, and operates electric generating facilities and supplies and trades energy and energy-related commodities in selected domestic retail and wholesale markets; and *Allegheny Ventures*, which invests in and develops telecommunications and energy-related projects. For more information, visit our web site at www.alleghenyenergy.com.