



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Public Service Commission of West Virginia approves Mountaineer Gas and West Virginia Power Gas rate adjustments

Greensburg, Pa., April 3, 2003 – 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 raise natural gas rates. Mountaineer Gas rates are effective with bills issued April 17 and West Virginia Power Gas rates are effective with bills issued May 13. The new purchased gas rates will remain in effect until November 1, 2003. The base rates for both companies did not change.

The change in the purchased gas rate is a reflection of the market price the Company pays its suppliers for natural gas. The amount paid by the Company for its natural gas is reviewed annually by the PSC and those charges are passed through to customers with no markup or profit margin. Interim rates, enacted on November 1, 2002, cushioned customers from near-record natural gas prices during the high-usage months of December, January, and February.

An average Mountaineer Gas residential customer using 13 thousand cubic feet (Mcf) per month will pay \$107.14, an increase from \$97.47. This includes a monthly Customer Charge of \$6.00. Commercial and industrial rates will also be increased with the new rates.

Average West Virginia Power Gas Service residential customers will see their monthly bills increase from \$104.36 to \$110.36. This includes the monthly Facilities Charge of \$6.00 and is based upon an average winter usage of 13 Mcf. The increase in the purchased gas rate will also mean higher bills for commercial and industrial customers.

“Allegheny Power works hard to obtain natural gas at the lowest price possible,” said Jay S. Pifer, President of Allegheny Power. “Many people believe that the gas company produces natural gas, but this is not the case. We purchase natural gas from producers and marketers on the open market at prices that are determined by market supply and demand. Our employees are holding the line on operating costs, but we have seen a dramatic rise in natural gas market prices this winter.”

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Higher natural gas market prices occurred this winter as a result of a combination of factors: increased demand resulting from colder than normal temperatures, increased industrial demand, lower gas storage levels, and a downturn in natural gas-directed drilling activity in 2002. All of these factors pushed market prices to near-record levels.

For home energy efficiency tips, customers can check Allegheny Power's internet site at www.alleghenypower.com or call our Customer Service Center at 1-800-Allegheny (1-800-255-3443) and request a copy of the brochure *100 Ways to Help Control Your Energy Bill*.

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.alleghenyenergy.com.

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