



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., September 16, 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 effective on Oct. 2, 2003. The new interim rates will remain in effect until a final order is issued, which is expected before April 2004.

“The increase is the result of significantly higher natural gas market prices; overall, in 2003, wellhead prices are expected to be 70 percent higher than the prices paid by Allegheny Power in 2002,” said Joseph H. Richardson, President of Allegheny Power. “Natural gas is increasingly popular for use in homes, businesses, factories, and electric power generation because it is efficient, clean, and reliable. However, over the past three years, natural gas production has not kept pace with rising demand.”

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. In addition, the purchased gas rate adjusts for the Company’s under- or over-recovery of purchased gas costs for the preceding rate period. During that time, Allegheny Power’s cost for purchasing natural gas was higher than the level collected from customers in the purchased gas rate. The base rate, which covers the general cost for doing business, for both companies did not change.

An average Mountaineer Gas residential customer using 13 thousand cubic feet (Mcf) per month, during the winter heating season, will pay \$131.84, an increase from \$107.14. Average West Virginia Power Gas Service residential customers will see their monthly bills increase from \$110.36 to \$137.95 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 for both companies.

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Allegheny Power/Natural Gas Rates
Page two

Winter is just around the corner, and customers will be using more natural gas for heat and hot water. Customers can plan ahead for higher winter heating bills by enrolling in the Average Payment Plan. Under this plan, gas bills are leveled out by averaging the past 12 month's bills. For tips on how to keep warm and hold down energy bills, customers can get a free copy of our brochure, "100 Ways to Help Control Your Energy Bill." Customers may download a copy of the brochure by visiting Allegheny Power's web site at www.alleghenypower.com or request a copy by calling our Customer Service Center at 1-800-Allegheny (1-800-255-3443).

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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