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FOR IMMEDIATE RELEASE

**Allegheny Energy subsidiary to sell 1,100 acres in Monongalia County
to the state of West Virginia**

The Conservation Fund plays an important role in the transfer

Hagerstown, Md., July 31, 2003 – Allegheny Energy, Inc. (NYSE: AYE) announced today that its non-utility subsidiary, West Virginia Power and Transmission Company, has finalized plans to sell approximately 1,100 acres of non-utility property located along the Cheat River in Monongalia County, W.Va., to the state of West Virginia. The Conservation Fund, one of the nation's premier land and water conservation groups, played an important role in the property transfer, facilitating the transaction and acting as a key intermediary throughout the acquisition process.

“Allegheny is pleased to finalize this agreement with the state of West Virginia, which will allow continued public access to this land and state management of a large portion of the viewshed from one of the region's most well known overlooks,” said Jay S. Pifer, Chief Operating Officer of Allegheny Energy. “We are proud of our contribution to quality recreational opportunities in the Cheat Lake area, and transferring this land is another illustration of our long-standing commitment to environmental stewardship and working with public agencies to create quality recreational opportunities.”

The property contains several parcels, the largest of which lies across the river from Cooper's Rock State Forest, while smaller parcels border the forest boundary. The additional lands will preserve and protect valuable plant and wildlife habitat, as well as add new buffer zones to the forest.

The sale is part of the Company's strategy to divest property that does not fit its core business plans.

With headquarters in Hagerstown, Md., Allegheny Energy is an integrated energy company with a balanced portfolio of businesses, including Allegheny Energy Supply, which owns and operates electric generating facilities and supplies energy and energy-related commodities in selected markets; and Allegheny Power, which delivers low-cost, reliable electric and natural gas service to about three million people in Maryland, Ohio, Pennsylvania, Virginia, and West Virginia. More information about the Company is available at www.alleghenyenergy.com.

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