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**FOR IMMEDIATE RELEASE**

**Allegheny Energy Subsidiary Terminates  
Tolling Agreement with Las Vegas Cogeneration II**

**Hagerstown, Md., September 22, 2003** - Allegheny Energy Supply Company, LLC, a subsidiary of Allegheny Energy, Inc. (NYSE: AYE), and its Allegheny Trading Finance (ATF) unit today terminated its 222-megawatt (MW) tolling agreement with Las Vegas Cogeneration II, L.L.C., a unit of Black Hills Corporation (NYSE: BKH). The termination of this tolling agreement, along with the recently completed sale of ATF's energy supply contract with the California Department of Water Resources (CDWR) and the previously announced termination of the Williams tolling agreement, are part of Allegheny's strategy to exit the western energy markets and refocus on its core assets.

Under the termination agreement, which was previously announced on August 20, 2003, Allegheny has paid \$114 million to Las Vegas Cogeneration II, thereby terminating Allegheny's obligations under the tolling agreement. The payment follows the completion of the sale of Allegheny's energy supply contract with the CDWR, which was a condition to Allegheny's payment obligation under the termination agreement.

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, 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](http://www.alleghenyenergy.com).

*Certain statements contained herein constitute forward-looking statements with respect to Allegheny Energy, Inc. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements of Allegheny Energy to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors may affect Allegheny Energy's operations, markets, products, services, prices, capital expenditures, development activities, and future plans. Such factors include, among others, the following: changes in general, economic, and business conditions; changes in the price of electricity and natural gas; changes in industry capacity; changes in technology; changes in financial and capital market conditions; changes in political and social conditions, deregulation activities and the movement toward competition in the states served by our operations; the effect of regulatory and legislative decisions; regulatory approvals and conditions; the loss of any significant customers; litigation; and changes in business strategy or business plans.*