



NEWS RELEASE

Guy A. Fletcher
Allegheny Energy
Phone: (301) 790-6174
E-Mail: gfletch@alleghenyenergy.com
Media Hotline: 1-888-233-3583

FOR IMMEDIATE RELEASE

Allegheny Energy and Mountainside Teleport Corporation Complete Land Sale *Satellite Communications Development to be Located at Friendship Technology Park*

Hagerstown, Md., January 21, 2003 – Allegheny Energy, Inc. (NYSE: AYE) announced today that it has completed the sale of 55 acres of land at its Friendship Technology Park to Mountainside Teleport Corporation, a wholly owned subsidiary of Intelsat Global Service Corporation. Mountainside Teleport Corporation is planning to develop state-of-the-art satellite communications facilities at the site.

“We are very happy to welcome Mountainside Teleport Corporation as our first tenant in Friendship Technology Park,” said Allegheny Energy Chairman, President, and Chief Executive Officer Alan J. Noia. “I applaud the many state and local officials whose support and hard work have resulted in a project that will provide immediate benefits to the community and will also be a springboard for future high-technology business growth in Friendship Technology Park and Washington County, Md.”

According to Intelsat, the Mountainside development will include the construction of satellite antennas and a technical building to support the company’s global satellite communications business, particularly its GlobalConnexSM portfolio of services. A new access road off Downsview Pike will also be built. Construction is now in progress and is expected to be complete in Spring 2003.

“We are pleased that Mountainside’s construction is under way at this ideal location,” said Ramu Potarazu, President and Chief Operating Officer of Intelsat Global Service Corporation, located in Washington, D.C. “All of the parties involved, including Allegheny Energy and state and local officials, have been extremely cooperative, allowing us to focus on building our business and moving forward in a timely fashion.”

-more-

Timothy R. Troxell, Executive Director, Hagerstown-Washington County Economic Development Commission, said, “Allegheny Energy, the Maryland Department of Business and Economic Development, and the Washington County government have been working since May 2000 to bring Mountainside Teleport Corporation’s facilities to Friendship Technology Park.

“Through this cohesive team effort, we hope to bring more quality, globally oriented companies like Intelsat’s Mountainside Teleport Corporation to the community. The realization of this telecommunications project proves that Washington County is the right location for high-tech companies,” Troxell added.

Gregory I. Snook, President, Washington County Board of County Commissioners, said, “The Board of County Commissioners is pleased that Mountainside Teleport Corporation has decided to locate in Washington County. The company’s state-of-the-art satellite telecommunications equipment along with the highly skilled individuals it will employ will be welcome additions to the high-tech industry in Washington County.”

Intelsat, Ltd. offers telephony, corporate network, video, and Internet solutions around the globe via capacity on 25 geosynchronous satellites in prime orbital locations. Customers in approximately 200 countries rely on Intelsat satellites and ground resources for quality connections, global reach, and reliability. For more information, visit www.intelsat.com.

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 domestic retail and wholesale markets; 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; and a business offering fiber-optic and data services. More information about the Company is available at 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.