



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Announces Special Meeting of Stockholders

Hagerstown, Md., January 21, 2003 – Allegheny Energy, Inc. (NYSE: AYE) announced today that it will hold a special meeting of Allegheny Energy stockholders to consider a proposal to amend its charter to eliminate preemptive rights of stockholders. Stockholders of record of Allegheny Energy at the close of business on January 27, 2003, the record date for the special meeting, are entitled to vote at the special meeting.

The special meeting of stockholders will be held at 9:30 a.m. (local time) on March 7, 2003, in the Mercury Ballroom on the third floor of the New York Hilton, 1335 6th Avenue, New York, NY 10019. The sole purpose of the meeting will be to approve the proposal to amend Allegheny Energy's charter. No other business shall take place at the special meeting.

A Notice of Special Meeting of Stockholders and Proxy Statement materials are anticipated to be mailed on or about January 31, 2003, to all Allegheny Energy stockholders of record as of January 27, 2003.

In connection with the special meeting, Allegheny Energy has filed a Preliminary Proxy Statement and intends to file other materials with the Securities and Exchange Commission (SEC). Stockholders may obtain a free copy of these materials when they become available and any other relevant documents filed with the Securities and Exchange Commission concerning Allegheny Energy at the Securities and Exchange Commission's web site at www.sec.gov. Stockholders may also obtain a free copy of these materials by calling (800) 322-2885 (toll-free) or (212) 929-5500 (call collect) or via e-mail at proxy@mackenziepartners.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 Allegheny Energy 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 statement. 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.