



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Chairman Reports on Allegheny Energy's Progress at Annual Meeting

New York, N.Y., May 13, 2004 – In remarks today at the Allegheny Energy, Inc. (NYSE: AYE) Annual Meeting of Stockholders, Paul J. Evanson, Chairman of the Board, President, and Chief Executive Officer, reported on the solid progress that the Company has made in improving its financial condition and its corporate governance practices.

“The adoption of corporate governance proposals at our meeting demonstrates Allegheny’s on-going commitment in this area,” noted Mr. Evanson. Governance proposals that were adopted include elimination of the requirement for super-majority votes on important issues, stockholder input on poison pills and the annual election of board members.

Stockholders also elected Eleanor Baum, Cyrus F. Freidheim, Jr. and Ted J. Kleisner to serve on the Board of Directors and approved the appointment of PricewaterhouseCoopers LLP as independent accountants for the Company. Other proposals that were approved relate to a director equity compensation plan and an annual incentive plan.

“Since last June, we’ve made great progress,” said Mr. Evanson. “With the liquidity crises, trading losses and accounting challenges of the past two years substantially behind us, we can now focus on taking Allegheny to the next level. Our priorities are to strengthen our financial condition, build a high performance organization and grow the fundamental earnings of the Company.”

Headquartered in Greensburg, Pa., Allegheny Energy is an integrated energy company with a portfolio of businesses, including Allegheny Energy Supply, which owns and operates electric generating facilities, and Allegheny Power, which delivers low-cost, reliable electric and natural gas service to about four million people in Pennsylvania, West Virginia, Maryland, Virginia and Ohio. More information about Allegheny Energy is available at www.alleghenyenergy.com.

Forward-Looking Statements

In addition to historical information, this release contains a number of "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Words such as anticipate, expect, project, intend, plan, believe, and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These include statements with respect to: regulation and the status of retail generation service supply competition in states served by Allegheny Energy's delivery business, Allegheny Power; the closing of various agreements; execution of restructuring activity and liquidity enhancement plans; results of litigation; financing and plans; demand for energy and the cost and availability of inputs; demand for products and services; capacity purchase commitments; results of operations; capital expenditures; regulatory matters; internal controls and procedures and accounting issues; and stockholder rights plans. Forward-looking statements involve estimates, expectations, and projections and, as a result,

are subject to risks and uncertainties. There can be no assurance that actual results will not materially differ from expectations. Factors that could cause actual results to differ materially include, among others, the following: execution of restructuring activity and liquidity enhancement plans; complications or other factors that render it difficult or impossible to obtain necessary lender consents or regulatory authorizations on a timely basis; general economic and business conditions; changes in access to capital markets; the continuing effects of global instability, terrorism, and war; changes in industry capacity, development, and other activities by Allegheny's competitors; changes in the weather and other natural phenomena; changes in technology; changes in the price of power and fuel for electric generation; the results of regulatory proceedings, including those related to rates; changes in the underlying inputs, including market conditions, and assumptions used to estimate the fair values of commodity contracts; changes in laws and regulations applicable to Allegheny, its markets, or its activities; environmental regulations; the loss of any significant customers and suppliers; the effect of accounting policies issued periodically by accounting standard-setting bodies; additional collateral calls; and changes in business strategy, operations, or development plans. Additional risks and uncertainties are identified and discussed in Allegheny Energy's reports filed with the Securities and Exchange Commission.

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