



## NEWS RELEASE

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### **FOR IMMEDIATE RELEASE**

#### **Ohio Commission Approves Sale of Allegheny Power's Ohio Service Territory**

**GREENSBURG, Pa., November 9, 2005** – Allegheny Power, the delivery business of Allegheny Energy, Inc. (NYSE: AYE), announced today that the Public Utilities Commission of Ohio has approved the sale of Allegheny's Ohio service territory to Columbus Southern Power Company, a subsidiary of American Electric Power Company.

The Commission today ordered the sale of Allegheny's transmission and distribution system in the state and the transfer of about 29,000 customers. In addition, American Electric Power will hire about 25 of Allegheny Power's employees located in Marietta, Ohio. The Commission's decision is a significant step required for completion of the sale. The Federal Energy Regulatory Commission has already approved the transfer. Only Securities and Exchange Commission approval remains.

"We're pleased by the Ohio Commission's decision," said Joseph H. Richardson, President of Allegheny Power. "We will continue to work closely with the Commission and American Electric Power to finalize this transaction with the ultimate goal of a seamless transition for customers."

Allegheny anticipates that the transaction will close at the end of December. At closing, Allegheny expects to receive net cash proceeds of approximately \$55 million. In addition, the sale will be accompanied by a Power Purchase Agreement under which Allegheny will provide generation service to American Electric Power for Allegheny's current Ohio retail customer service territory through May 31, 2007 at \$45 per megawatt-hour, an increase of about \$18 per megawatt-hour over its current generation rate.

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## **Allegheny Energy**

Headquartered in Greensburg, Pa., Allegheny Energy is an investor-owned utility consisting of two major businesses. Allegheny Energy Supply owns and operates electric generating facilities, and Allegheny Power delivers low-cost, reliable electric service to customers in Pennsylvania, West Virginia, Maryland, Virginia and Ohio. For more information, visit our Web site at [www.alleghenyenergy.com](http://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 distribution business, Allegheny Power; financing plans; demand for energy and the cost and availability of raw materials, including coal; provider-of-last-resort and power supply contracts; results of litigation; results of operations; internal controls and procedures; capital expenditures; status and condition of plants and equipment; regulatory matters; and accounting issues. 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. Actual results have varied materially and unpredictably from past expectations. Factors that could cause actual results to differ materially include, among others, the following: changes in the price of power and fuel for electric generation; general economic and business conditions; changes in access to capital markets; complications or other factors that render it difficult or impossible to obtain necessary lender consents or regulatory authorizations on a timely basis; environmental regulations; the results of regulatory proceedings, including proceedings related to rates; changes in industry capacity, development and other activities by Allegheny Energy's competitors; changes in the weather and other natural phenomena; changes in the underlying inputs and assumptions, including market conditions used to estimate the fair values of commodity contracts; changes in laws and regulations applicable to Allegheny Energy, its markets or its activities; the loss of any significant customers or suppliers; dependence on other electric transmission and gas transportation systems and their constraints or availability; changes in PJM, including changes to participant rules and tariffs; the effect of accounting policies issued periodically by accounting standard-setting bodies; and the continuing effects of global instability, terrorism and war. Additional risks and uncertainties are identified and discussed in Allegheny Energy's reports filed with the Securities and Exchange Commission.*

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