



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Wins Bid to Provide Generation Services to Municipalities

GREENSBURG, Pa., November 30, 2005 – Allegheny Energy, Inc. (NYSE: AYE) announced today that three Maryland municipal electric systems have selected its generation supply subsidiary, Allegheny Energy Supply Company, LLC, to provide power under contracts that will run through May 2011.

Under the new contracts, Allegheny Energy Supply will provide Hagerstown, Thurmont and Williamsport with approximately 525,000 megawatt-hours annually of generation and associated services at fixed prices. Allegheny was awarded the contracts through a competitive bidding process that began earlier this year.

"We're pleased to welcome these municipalities to our generation customer base," said Paul Evanson, Chairman, President and Chief Executive Officer of Allegheny Energy. "These contracts provide Allegheny with additional revenue certainty as we continue to transition our generation to market-based rates."

"Allegheny has been a cost-effective supplier in the past and we look forward to renewing that relationship" said Michael Spiker, Manager of the Hagerstown Light Department. "This contract reduces our exposure to the energy market place and is the best solution for the City of Hagerstown and the other municipalities."

Service under these contracts will commence in July 2006.

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.

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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