



## NEWS RELEASE

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### **FOR IMMEDIATE RELEASE**

#### **Allegheny Energy Applauds Passage of West Virginia Securitization Legislation**

**GREENSBURG, Pa., May 5, 2005**—Allegheny Energy, Inc. (NYSE: AYE) today thanked Governor Joe Manchin and the West Virginia Legislature for unanimously enacting legislation that authorizes the use of securitization financing to fund environmental controls at power plants.

“We commend Governor Joe Manchin and the Legislature for their leadership on this innovative and forward-looking bill,” said Paul J. Evanson, Chairman, President and Chief Executive Officer of Allegheny Energy. “This is a great example of government and business working together. It will improve West Virginia’s air quality and is clearly in the best interests of consumers and the state’s economic future. The continued production of clean and efficient energy is important to West Virginia’s economy, and Allegheny Energy is proud to be one of the state’s leading power producers.”

The use of securitization would deliver significant savings to electric customers compared to most other forms of financing. The bill requires Public Service Commission approval of expenditures that utilities would seek to finance using securitization.

If authorized by the appropriate regulatory bodies, Allegheny plans to pursue a project to install flue gas desulfurization equipment (scrubbers) at its Fort Martin power station. The design, permitting and construction of the project would occur over four to five years, with an estimated in-service date in 2010. Installing scrubbers will allow Allegheny Energy to use more West Virginia coal and create more than 350 construction jobs.

#### **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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