



NEWS RELEASE

800 Cabin Hill Drive, Greensburg, PA 15601-1689

Media contact:

Allen Stagers
Manager, Corporate Communications
Phone: (724) 830-5433
Media Hotline: (888) 233-3583
E-mail: astagge@alleghenyenergy.com

Investor contact:

Max Kuniansky
Executive Director, Investor Relations
and Corporate Communications
Phone: (724) 838-6895
E-mail: mkunian@alleghenyenergy.com

FOR IMMEDIATE RELEASE

Allegheny Power Completes Sale of Ohio Service Territory

GREENSBURG, Pa., January 3, 2006 – Allegheny Power, the delivery business of Allegheny Energy, Inc. (NYSE: AYE), announced today that it has completed the sale of its Ohio service territory to Columbus Southern Power Company, a subsidiary of American Electric Power Company (NYSE: AEP).

Allegheny received cash proceeds of \$51.8 million at closing, consisting of the purchase price (\$56 million) net of certain tax items related to the sale. The transaction includes approximately 29,000 customers and all of Allegheny's transmission and distribution assets in Ohio. The sale was implemented on Sunday, when Allegheny's Ohio customers became Columbus Southern customers. Customers in the Ohio service territory should call American Electric Power's Customer Solutions Center at 1-800-277-2177 for all inquiries, including electric service outages and emergencies, 24 hours a day.

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 and Virginia. For more information, visit our web site at www.alleghenyenergy.com.

-###-