



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Seeks West Virginia Authorization for New Transmission Line *Line is Critical to Ensuring Reliability of Power Grid*

Greensburg, Pa., March 30, 2007 – Allegheny Energy, Inc. (NYSE: AYE) announced today that it has filed an application seeking authorization to build a new 500-kilovolt transmission line in West Virginia.

Trans-Allegheny Interstate Line Company, an Allegheny Energy subsidiary, filed with the West Virginia Public Service Commission to build the West Virginia segment of the proposed Trans-Allegheny Interstate Line (TrAIL). The application includes the location of the preferred line route in the state. Independent experts concur that without the line, the region could experience blackouts by 2011.

Targeted for completion in 2011, the line will span Allegheny's service territory from Southwestern Pennsylvania through West Virginia to Northern Virginia. Within West Virginia, the line will run about 114 miles, passing to the west of Morgantown in Monongalia County and traversing Preston, Tucker, Grant, Hardy and Hampshire counties before crossing into Virginia. To see a map of the West Virginia route, go to www.alleghenyenergy.com/Newsroom/NewsroomHome.asp.

As part of its review, the commission is expected to conduct public hearings for interested individuals to speak about the line.

“We determined our preferred route after careful study, which included the analysis of valuable input we received at public open houses,” said David E. Flitman, President Allegheny Power and Trans-Allegheny Interstate Line Company. “We urge you to stay informed, keep an open mind and support a thorough, fair review of our plans by regulators.”

About 1,500 individuals attended Allegheny's 10 informational open houses across the study area for the proposed line. The purpose of the sessions was to show potential routes in the greatest detail possible and collect feedback. The company's routing team heard remarks from residents who scanned detailed aerial photography showing homes and other landmarks, and also considered hundreds of written comments to create the best possible route for the line.

Without the line, the stability of the grid and reliable flow of electricity within the PJM region cannot be reasonably assured. This could result in blackouts, rolling blackouts and brownouts within West Virginia and other areas of PJM as early as 2011. PJM is the regional grid operator.

While the line is critical to the ongoing reliability of the grid, there are other benefits as well, including:

- meeting the growing demand for electricity; and
- increasing west-to-east transfer capability, making cost-effective generation available to more customers.

Benefits to the West Virginia economy include:

- expanding markets for local coal;
- an estimated 700 jobs during the construction phase (2007-2011); and
- the potential for new generation projects, including clean-coal technologies.

Allegheny is committed to working with landowners, neighboring residents, business owners and regulators to balance all interests in an effort to minimize land-use impacts. To learn more about TrAIL and see route maps, visit the project Web site at www.aptrailinfo.com. Allegheny plans to post the line-route application on the site in the near future. The application and other important TrAIL-related information will also be available on the West Virginia Public Service Commission Web site www.psc.state.wv.us.

The public can view the West Virginia application in the offices of the Clerks of Court of the County Commissions in each of the six counties which the proposed line route will cross and three other counties with area within five miles of the proposed line route (Taylor, Mineral and Marion). Copies are also available for review at these public libraries: Morgantown Public Library, Cheat Area Public Library, Kingwood Public Library, Five Rivers Public Library, Grant County Public Library, Hardy County Public Library, Hampshire County Public Library, Marion County Public Library, Keyser-Mineral County Public Library and Taylor County Public Library.

Allegheny plans to file similar applications with regulators in Pennsylvania and Virginia in coming weeks.

Allegheny Energy

Headquartered in Greensburg, Pa., Allegheny Energy is an investor-owned electric utility with total annual revenues of over \$3 billion and more than 4,000 employees. Through its two major businesses, Allegheny Energy Supply Company, LLC and Allegheny Power, the company owns and operates generating facilities and delivers low-cost, reliable electric service to over 1.5 million customers in Pennsylvania, West Virginia, Maryland, and Virginia. For more information, visit our Web site at www.alleghenyenergy.com.

Forward-Looking Statements

In addition to historical information, this release may contain 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; financing plans; demand for energy and the cost and availability of raw materials, including coal; provider-of-last-resort ("PLR") and power supply contracts; results of litigation; results of operations; internal controls and procedures; capital expenditures; status and condition of plants and equipment; capacity purchase commitments; 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: plant performance and unplanned outages; changes in the price of power and fuel for electric generation; general economic and business conditions; changes in access to capital; 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 customer switching behavior and their resulting effects on existing and future PLR load requirements; 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 participants rules and tariffs; the effect of accounting pronouncements 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 and registration statements filed with the

Securities and Exchange Commission. These forward-looking statements speak only as of the date of this document. Allegheny Energy undertakes no obligation to update its forward-looking statements to reflect events or circumstances after the date of this document.

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