



## NEWS RELEASE

800 Cabin Hill Drive, Greensburg, PA 15601-1689

**Media contact:**

David Neurohr  
Manager, External Communications  
Phone: (724) 838-6020  
Media Hotline: (888) 233-3583  
E-mail: [dneuroh@alleghenyenergy.com](mailto:dneuroh@alleghenyenergy.com)

**Investor contact:**

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

### **FOR IMMEDIATE RELEASE**

#### **Allegheny Energy Endorses Governor's Efforts to Address Energy Issues in Pennsylvania**

**GREENSBURG, Pa., September 12, 2007** – Allegheny Energy, Inc. (NYSE: AYE) today asserted its support for Pennsylvania Governor Edward G. Rendell's efforts to address critical energy issues in the Commonwealth. Governor Rendell has requested a special legislative session to address specific energy issues, including the transition to market-based rates, energy efficiency and conservation and alternative energy development.

"Energy policy impacts all Pennsylvanians, and it's appropriate for these issues to be the focus of a special session of the legislature," said Paul J. Evanson, Chairman, President, and Chief Executive Officer of Allegheny Energy. "Governor Rendell has laid out a constructive framework and an important set of proposals. While several significant elements still need to be developed further, we support the Governor's general approach. We welcome the opportunity to work with Governor Rendell, the General Assembly, the Public Utility Commission and all interested parties to develop programs and funding alternatives for innovative and effective energy policies for Pennsylvania."

"It's essential to protect consumers from dramatic price increases during the transition to a competitive marketplace," Evanson said. "Allegheny has already demonstrated leadership in this area in both Pennsylvania and Maryland."

In 2005, Allegheny extended its Pennsylvania generation rate caps for two additional years in order to achieve a smooth transition to market-based rates. Earlier this year, the Maryland Public Service Commission approved the company's rate stabilization plan for residential customers.

Allegheny is already introducing an innovative array of consumer-focused programs under the company's "Watt Watchers" campaign. The Watt Watchers family of programs will include energy efficiency and conservation efforts, ongoing consumer education, practical and low-cost energy saving applications and a heightened focus on providing customers with more options to lower their energy consumption and control their costs.

In addition, Allegheny is currently developing proposals for the introduction of both smart meters and a "green" energy-sourcing option. With regulatory approval, the company will deploy its green energy option and a measured rollout of smart meter technology in Pennsylvania.

The commitments to a smart metering program and an alternative energy option come on the heels of a new partnership with ENERGY STAR<sup>®</sup>, the Environmental Protection Agency's voluntary program that offers consumers energy-efficient solutions to control energy usage, save money and protect the environment. Together, Allegheny Power, the West Penn Power Sustainable Energy Fund and ENERGY STAR recently launched PA Home Energy, a program helping homeowners reduce energy use, save money and protect the environment.

## **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. 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](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: rate 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; 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 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 customer switching behavior and their resulting effects on existing and future load requirements; 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.*

-###-