



## NEWS RELEASE

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### **FOR IMMEDIATE RELEASE**

#### **Allegheny Energy Installs New Equipment to Improve Performance of the Electric Transmission System**

**GREENSBURG, Pa., December 5, 2007** – Allegheny Energy, Inc. (NYSE: AYE), announced today the installation and startup of the nation’s largest Static VAR Compensator (SVC), located at its Black Oak Transmission Substation, near Rawlings, Md.

The new SVC will enhance the reliability of Allegheny’s 500kV Black Oak-Bedington transmission line – one of the most heavily-loaded lines in the PJM Interconnection area – by quickly changing reactive power levels to control the line’s voltage.

“In addition to improving reliability, the SVC will enable increased transmission capacity across the PJM region,” said David E. Flitman, President, Allegheny Power and Trans-Allegheny Interstate Line Company (TrAILCo). “Enabling more power to flow on existing lines is an efficient use of resources and an important step in keeping pace with the region’s increased demand for electricity, but it doesn’t negate the need to add new transmission lines to ensure continued reliability.”

The project was initiated as part of PJM’s Regional Transmission Expansion Plan, and completed by Allegheny’s TrAILCo subsidiary. The PJM plan identifies upgrades and additions to ensure the reliability of the electric transmission system throughout its multi-state region. Two other prominent transmission expansion projects are the Trans-Allegheny Interstate Line, a proposed 500-kV line extending from southwestern Pennsylvania to West Virginia and northern Virginia, and the Potomac-Appalachian Transmission Highline, a proposed project extending from southwestern West Virginia to central Maryland.

#### **Allegheny Energy**

Headquartered in Greensburg, Pa., Allegheny Energy is an investor-owned 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 the company’s Web site at [www.alleghenyenergy.com](http://www.alleghenyenergy.com).

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