



## NEWS RELEASE

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### **FOR IMMEDIATE RELEASE**

#### **Allegheny Power Partners with ENERGY STAR, Announces New Energy Conservation Initiatives**

**GREENSBURG, Pa., August 3, 2007** – Allegheny Power, the electric delivery business of Allegheny Energy, Inc. (NYSE: AYE), today announced that it is partnering with ENERGY STAR<sup>®</sup>, the U.S. Environmental Protection Agency’s voluntary program that offers consumers energy efficient solutions to control energy usage, save money and protect the environment.

Through the partnership, Allegheny is joining a nationwide effort to eliminate energy waste by promoting energy efficient appliances, building techniques and home improvements, along with energy management strategies for homes and businesses. ENERGY STAR is a voluntary, market-based partnership to reduce greenhouse gas emissions through energy efficiency. Today, the ENERGY STAR label can be found on more than 50 different kinds of products, as well as new and existing homes.

In 2006 alone, ENERGY STAR helped Americans save more than \$14 billion on their energy bills and avoid greenhouse gas emissions equivalent to 25 million vehicles.

“Today, we begin a new partnership with ENERGY STAR and continue our long-standing partnership with our customers to help them conserve energy,” stated David E. Flitman, President of Allegheny Power. “It’s a simple concept: a kilowatt of energy conserved is a kilowatt that is not paid for; a kilowatt with no environmental footprint; and a kilowatt that can help maintain a reliable supply.

“In the spirit of partnership, as we launch new programs to help our customers use electricity more efficiently, we’ll be doing our part as well – from high efficiency transformers at our substations to new technology for reducing line loss,” said Flitman.

Allegheny Power is excited about developing a number of new programs for customers that will help drive efficiency and conservation to new levels, such as:

- Making energy-saving compact fluorescent light bulbs available to customers through partnerships with retailers, distributors or as part of energy-efficiency kits.
- Helping customers conduct home energy audits.
- Conducting workshops for business customers to encourage participation in utility demand reduction programs.

- Launching an automated metering pilot program to help customers better understand and manage their energy usage.
- Partnering with the Department of Energy in an initiative in Morgantown, W.Va. to upgrade utility infrastructure to accommodate the next generation of demand-side management technology.
- Offering customers the option to purchase electricity from renewable sources through a ‘green’ tariff.
- Educating students about energy conservation and how to reduce energy usage at home. Allegheny Power will offer free educational materials for school students across its service territory this fall.

Certain programs are subject to review and approval by various state regulatory commissions.

In addition to the new programs, Allegheny has had a long-standing portfolio of existing energy conservation programs available to help customers reduce peak loads and lower energy consumption, including:

- Generation Buy-Back, which is a voluntary, peak-load reduction plan that offers financial rewards to commercial and industrial customers who can reduce their power consumption during periods of high demand or prices.
- Net metering, which is a program for consumers who own small renewable energy sources, providing credit on their bill for the electricity they generate.
- Advanced meters that are capable of storing electric consumption data at specified time intervals in conformance with applicable performance specifications and are capable of remote meter reading.
- Energy data services that provide business customers the ability to access historical electric load data providing critical information needed to make money-saving energy decisions.
- Data Pulses, which provides near real-time energy data enabling industrial customers to take advantage of load management systems and tools.
- The Keystone Home Energy Loan Program, which offers low-interest rate loans with extended payment terms for qualifying energy efficient home improvement projects for Allegheny’s Pennsylvania residential customers.
- The Smart Thermostat Program, which provides low-income Fayette County, Pa. citizens with a state-of-the-art internet-enabled thermostat, programming administration and oversight, and installation of the device in the participants’ homes.

## **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.*

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