



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Power Launches New Watt Watchers Energy Efficiency Programs in Maryland

GREENSBURG, Pa., September 27, 2007 – Allegheny Power, the electric delivery business of Allegheny Energy, Inc. (NYSE:AYE), announced today that it is launching new conservation initiatives designed to help Maryland residential customers better manage their energy usage and save on energy bills.

Allegheny continues to evaluate a number of energy efficiency initiatives aimed at helping Maryland customers conserve energy and reduce costs. The two “fast-track” program components, approved by the Maryland Public Service Commission, include the residential compact fluorescent lighting program and energy awareness campaign.

The objective of the lighting program is to produce an immediate change that results in energy and demand savings benefits for customers. Allegheny will mail each of its approximately 220,000 residential customers two, 13-watt compact fluorescent lights (CFL) to install in their homes. CFLs are revolutionizing lighting—they use about 75 percent less energy than standard incandescent bulbs and last up to 10 times longer. Allegheny anticipates that customers will see an average monthly savings of about \$1 over the life of the new bulbs. The energy awareness campaign will provide customers with information regarding the benefits of energy conservation and efficiency.

“Residential customers have been slow to install compact fluorescent lighting so our program will instantly give customers the opportunity to become familiar with ENERGY STAR[®] lighting products while saving money on their electric bills,” said David E. Flitman, President of Allegheny Power. “We are excited about the program and are hopeful that the two CFLs will help motivate our customers to adopt more energy efficient habits around the home. As part of our Watt Watchers program, our education initiative will inform customers about the latest and most innovative energy management strategies.”

Allegheny remains committed to providing customers with important information and services for making informed energy-related decisions. Watt Watchers is Allegheny Power's program to help customers learn more about saving energy and money. Customers will learn about more efficient appliances that dramatically reduce energy use, advanced construction techniques that help create ecologically friendly buildings and affordable home improvements. For more information, visit www.alleghenypower.com.

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.

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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