



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

Investor contact:

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

FOR IMMEDIATE RELEASE

Hearings Underway in Pennsylvania on Allegheny Energy's Proposed Transmission Line

Blackouts Could Affect Area Businesses and Homes within Two Years if Line Is Not Built

GREENSBURG, Pa., August 29, 2007 – Allegheny Energy, Inc. (NYSE: AYE) and its Trans-Allegheny Interstate Line Company subsidiary continue to work toward obtaining Pennsylvania regulators' authorization to build a new 500-kilovolt transmission line and related 138 kV lines.

Public input hearings, which begin today in Washington and Greene Counties, are an integral part of the open and thorough regulatory process. Conducted by the Pennsylvania Public Utility Commission (PUC), these hearings are an opportunity for the public to comment on the Trans-Allegheny Interstate Line (TrAIL).

A 37 mile-segment of the 500 kV line will address local reliability concerns in southwestern Pennsylvania's Washington and Greene counties, where rapid demand growth is straining Allegheny Power's system.

"Our nation's top energy experts have called for new transmission lines to be built to prevent looming power reliability problems," said David E. Flitman, President of Allegheny Power and Trans-Allegheny Interstate Line Company. "The U.S. Department of Energy, the North American Electric Reliability Corporation and PJM all agree – something must be done now. TrAIL is an important part of the solution to these problems."

PJM Interconnection, an independent expert, has determined that without the line, the stability of the grid and reliable flow of electricity within Southwestern Pennsylvania cannot be reasonably assured. This could result in blackouts, voltage disruptions and brownouts in Allegheny Power's Pennsylvania service area as soon as 2009. PJM is the regional grid operator for a 13-state area.

Allegheny is committed to working with landowners, neighboring residents, business owners and regulators to balance all interests and minimize land-use impacts. Last year, Allegheny conducted 12 public open houses, including four in Pennsylvania, to show potential routes, collect comments and provide project information. About 2,200 interested individuals attended these sessions, which were not required by law, but provided valuable feedback to create the best possible route for the line.

"We have promised from the outset to be forthright and open about every aspect of this vital infrastructure upgrade," said Flitman. "The Commission's public hearings are a critical element of the rigorous approval process in Pennsylvania. We urge people to stay informed, keep an open mind and support a thorough, fair review of our plans by regulators."

A 37-mile segment of the 500 kV line in Pennsylvania, which will address local reliability concerns, will transmit power from the proposed 502 Junction substation near the West Virginia border north to the Prexy substation proposed in Washington County. The new transmission infrastructure in Pennsylvania will also include three smaller 138 kV lines, each approximately five miles in length, which will connect the Prexy substation to existing lines that deliver energy to customers in Washington County.

The remaining segment of TrAIL in Pennsylvania is approximately one mile in length and will extend from 502 Junction to the Pennsylvania-West Virginia state line where it will continue for approximately 150 miles across West Virginia to the Meadow Brook substation in Middletown, Virginia. Dominion Virginia Power will build the line from an interconnection point east of Meadow Brook to its Loudoun substation. This portion of TrAIL is necessary to meet the growing demand for power in the Mid-Atlantic region and to prevent several existing transmission lines across the region from overloading as early as 2011.

To learn more about TrAIL and to see the full application with the PUC, visit the project Web site at www.aptrailinfo.com. The application and other important TrAIL-related information is also available on the PUC Web site at <http://www.puc.state.pa.us/>.

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.