



NEWS RELEASE

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FOR IMMEDIATE RELEASE

PJM Approves New Transmission Line to be Built by Allegheny Energy and American Electric Power

PATH will Link West Virginia and Maryland

GREENSBURG, Pa., June 22, 2007 – Allegheny Energy, Inc. (NYSE: AYE) today announced that PJM Interconnection has approved plans for Allegheny and American Electric Power (NYSE: AEP) to build the Potomac-Appalachian Transmission Highline (PATH), a new transmission line to upgrade the regional electric transmission grid.

The PJM board included PATH in their 2007 regional transmission expansion plan, which is designed to maintain the reliability of the grid. Allegheny and AEP plan to build 250 miles of 765-kilovolt (kV) transmission from AEP's Amos substation near St. Albans, W.Va., to Bedington substation, northeast of Martinsburg, W.Va. Another 40 miles of transmission, consisting of twin-circuit 500-kV transmission, will be constructed by Allegheny from Bedington to a new substation at Kemptown, located southeast of Frederick, Md.

PJM considers PATH a crucial "backbone upgrade" to the transmission system. The plan calls for the line be put in service by June 2012 to meet the reliability needs of the region.

"Like TrAIL, our other major transmission project, this new line across the Allegheny Mountains is urgently needed to avoid crippling blackouts in the mid-Atlantic region, including portions of our West Virginia and Maryland service territory," said Paul J. Evanson, Chairman, President and Chief Executive Officer of Allegheny Energy. "We're pleased to join forces with AEP on such an important project."

In April 2007, Allegheny and AEP announced plans to form a joint venture to build the project. Based on current plans, the total project is estimated to cost approximately \$1.8 billion. Allegheny currently estimates that its total investment in the project will be approximately \$1.2 billion.

Allegheny and AEP expect to formalize their joint venture agreement for PATH within the coming weeks and plan to file with the Federal Energy Regulatory Commission for incentive rate recovery. Allegheny and AEP also will begin work on a routing study and environmental assessment for the project. The companies will seek regulatory approvals from the utility commissions in both West Virginia and Maryland following the completion of the routing study.

AEP will have lead responsibility for engineering, designing and managing the construction of the 765-kV elements of the project. Allegheny will have similar responsibilities for the twin-circuit 500-kV line. Each

company will provide services to the joint venture for siting, acquiring rights-of-way, securing regulatory approvals from the states the line crosses and maintenance of the project.

Allegheny's Trans-Allegheny Interstate Line (TrAIL) project is a separate, 210-mile project scheduled for completion in 2011 and is not part of the joint venture.

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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