



NEWS RELEASE

800 Cabin Hill Drive, Greensburg, PA 15601-1689

Media contact:

Todd Meyers
Specialist, Corporate Communications
Phone: (724) 838-6650
Media Hotline: (888) 233-3583
E-mail: tmeyer1@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

Transmission Line Project Marks Major Milestone as Allegheny Energy Names Construction Management Firm

Greensburg, Pa., March 2, 2007 – Allegheny Energy, Inc. (NYSE: AYE) announced today that it has contracted with Kenny Construction Company to provide overall construction management and other services for the proposed 500-kilovolt Trans-Allegheny Interstate Line (TrAIL). Kenny is a market leader in providing capital and maintenance support for utilities nationwide.

Kenny will be responsible for:

- Right-of-way acquisition, including easements and access;
- Permitting; and
- Engineering, design, construction and testing of the transmission line and all substations.

“We welcome Kenny as a partner in this effort to improve the reliability of the electric grid,” said David E. Flitman, President, Allegheny Power and the Trans-Allegheny Interstate Line Company. “Kenny offers solid construction expertise, an outstanding safety culture and a proven track record of building large and complex projects.”

Targeted for completion in 2011, the line will span about 210 miles of Allegheny’s service territory from southwestern Pennsylvania through West Virginia to northern Virginia.

The line will greatly strengthen the reliability of the power grid serving the mid-Atlantic region. Independent experts concur that without the line, the stability of the grid and reliable flow of electricity within the PJM region cannot be reasonably assured. This could result in blackouts, rolling blackouts and brownouts as early as 2011. Other benefits include:

- Meeting the growing demand for electricity;
- Increasing west-to-east transfer capability, making cost-effective generation available to more customers; and
- Economic benefits for West Virginia and Southwestern Pennsylvania, including expanding markets for local coal, more jobs and the potential for new generation projects including clean-coal technologies and renewables, such as wind and hydro.

Allegheny will seek permission to build the line from the respective utility commissions in the states crossed by the line. Allegheny plans to file applications with the commissions in early spring 2007. The estimated cost of the line is \$820 million.

To learn more about TrAIL, visit the project website at www.aptrailinfo.com.

Kenny is also overseeing construction of new facilities and upgrades of existing facilities in Chicago, central Wisconsin, Philadelphia and the Wasatch Valley in Utah. These projects include the erection of transmission lines, distribution lines and related substations, plus expansion, upgrades and/or relocation of transmission lines, distribution lines and substations.

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. Through its two major businesses, Allegheny Energy Supply Company, LLC and Allegheny Power, 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.

-###-