



## NEWS RELEASE

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### **FOR IMMEDIATE RELEASE**

## **Hearing Set to Begin in Pennsylvania for Allegheny Energy's Proposed Transmission Line**

### ***TrAIL Will Address Local Reliability Needs in Southwestern Pennsylvania***

**GREENSBURG, Pa., March 20, 2008** – Trans-Allegheny Interstate Line Company (TrAILCo), a subsidiary of Allegheny Energy Inc., (NYSE: AYE), announced today that the evidentiary hearing for its high-voltage transmission project will begin Monday, March 24 in Pittsburgh before the Pennsylvania Public Utility Commission.

State regulators in Virginia and West Virginia conducted similar hearings earlier this year. Allegheny is awaiting decisions from regulators in both those states.

During the Pennsylvania hearing, TrAILCo witnesses – including a representative of PJM Interconnection, the regional grid operator that has directed construction of the line – will testify to the need for the line, the proposed route, and more. Evidentiary hearings are on-the-record proceedings that allow for cross-examination of witnesses and a thorough presentation of all evidence related to a specific project. TrAILCo has also filed written testimony in connection with the hearing to respond to the testimony of other parties, including opponents of the line.

A 37-mile segment of the 500-kilovolt (kV) line, along with three related 138-kV lines, will specifically address local reliability concerns in Southwestern Pennsylvania's Washington and Greene counties, where demand growth is straining Allegheny Power's transmission system.

"TrAIL is the right solution to keep the lights on for years to come," said David E. Flitman, President of Allegheny Power. "The evidentiary hearing will give us the opportunity to demonstrate the careful evaluation undertaken to address reliability issues in Southwestern Pennsylvania. We're eager to obtain a timely ruling on the project to maintain the siting and construction schedule necessary to ensure the local transmission system continues to function properly."

PJM, the organization responsible for the transmission grid for a 13-state area, warns that without TrAIL the stability of the grid and reliable flow of electricity cannot be reasonably assured. This could result in blackouts, voltage disruptions, and brownouts throughout the Mid-Atlantic region as soon as mid-2011. In Southwestern Pennsylvania, Allegheny forecasts potential reliability problems with the local system as soon as 2009.

In Southwestern Pennsylvania, the line will carry power north from the proposed 502 Junction substation near the West Virginia border to the Prexy substation proposed for 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 electricity to customers in Washington County.

The other 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 across West Virginia to the Meadow Brook substation near Middletown, Virginia. Dominion Virginia Power will build the line from an interconnection point east of Meadow Brook to its Loudoun substation. The 502 Junction-to-Loudoun portion of TrAIL is necessary to meet the growing demand for power in the Mid-Atlantic region and to prevent several existing transmission lines from overloading as early as 2011.

For additional information, please visit the project Web site at [www.aptrailinfo.com](http://www.aptrailinfo.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 1.6 million customers in Pennsylvania, West Virginia, Maryland and Virginia. For more information, visit the company's 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: 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; 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: 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 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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