



## NEWS RELEASE

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### **FOR IMMEDIATE RELEASE**

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

### ***The Line is Necessary to Ensure Stability of Regional Electric Grid***

**GREENSBURG, Pa., February 19, 2008** – Trans-Allegheny Interstate Line Company (TrAILCo), a subsidiary of Allegheny Energy, Inc. (NYSE: AYE), announced today that the evidentiary hearing for a new 500-kilovolt transmission line will begin Monday, February 25 in Richmond before the Virginia State Corporation Commission.

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

The line is critical to the ongoing reliability of the grid to meet the growing demand for electricity. In Allegheny Power's Virginia service territory, historical summer peak loads grew by more than 60 percent between 1995 and 2005.

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 within the region cannot be reasonably assured. This could result in blackouts, voltage disruptions, and brownouts throughout the region, including Virginia, as soon as 2011.

Independent consultants assisting the commission staff recognize the need for a new 500-kilovolt transmission line to serve growth in the Mid-Atlantic region and Northern Virginia, and largely agree with its proposed route.

“The conclusions reached by the independent consultants support the careful evaluation we've undertaken to address reliability shortcomings in Northern Virginia,” said David E. Flitman. “This independent review is further evidence that TrAIL is the right solution to keep the lights on for years to come.”

The transmission line is targeted for completion in 2011, and will span Allegheny Power's transmission zone from Southwestern Pennsylvania through West Virginia to northern Virginia. Within Virginia, the line will run about 28 miles through Frederick and Warren counties generally adjacent to an existing 500-kilovolt transmission line, reaching an interconnection point with Dominion Virginia Power about a mile and a half south of Interstate 66. Dominion will build the line from that point to its Loudoun Substation in Loudoun County.

For additional information and to view the consultants' reports, 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 over 1.5 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: 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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