



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Allegheny Energy Pledges Cooperative Dialogue with West Virginia Officials on New Transmission Line

GREENSBURG, Pa., August 5, 2008 – Allegheny Energy, Inc. (NYSE: AYE) commented today on West Virginia Governor Joe Manchin's plan to introduce legislation as a result of the recent regulatory approval of the Trans-Allegheny Interstate Line (TrAIL).

"I intend to work collaboratively with Governor Manchin and the legislature in support of the Governor's proposals to ensure that our customers and the state will benefit from the construction of the line," said Paul J. Evanson, Chairman, President, and Chief Executive Officer of Allegheny Energy. "The completion of this project can and should be of great benefit to all parties."

Last week, the Public Service Commission of West Virginia issued an order approving construction of TrAIL, a 500-kilovolt transmission line project being undertaken by an Allegheny Energy subsidiary. The West Virginia segments of TrAIL represent the largest portion of the project, which is also awaiting regulatory decisions in Virginia and Pennsylvania.

Previously, a Hearing Examiner in Virginia recommended that regulators in that state authorize construction of the Virginia segments of TrAIL, subject to approvals in West Virginia and Pennsylvania. In the meantime, pre-construction work will continue, including right-of-way acquisition, permitting, and engineering activities. The construction phase will last about two-and-a-half years.

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 approximately 1.6 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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