



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Virginia Commission Approves Allegheny Energy Transmission Line Project

GREENSBURG, Pa., October 7, 2008 – Trans-Allegheny Interstate Line Company (TrAILCo), a subsidiary of Allegheny Energy, Inc. (NYSE: AYE), announced today that the Virginia State Corporation Commission authorized construction of the Virginia segments of the Trans-Allegheny Interstate Line (TrAIL).

“Today’s decision is another key step forward for this important project,” said Paul J. Evanson, Chairman, President and Chief Executive Officer of Allegheny Energy. “After an extensive public review, the Virginia Commission has determined that TrAIL is critical to the continued flow of reliable electricity throughout the Mid-Atlantic region.”

In its ruling, the Commission agreed with the recommended decision made in late July by a Virginia hearing examiner. Both the Commission and the hearing examiner found that the 500-kilovolt line is necessary to resolve transmission system overloads projected to occur as soon as 2011.

The Commission’s order is subject to certain conditions, including regulatory approval in the other states the TrAIL line will cross prior to beginning construction in Virginia. The West Virginia Public Service Commission approved the project in early August. TrAILCo expects a decision from the Pennsylvania Public Utility Commission later this year.

TrAIL is targeted for completion in 2011 and will span Allegheny Power’s transmission zone from Southwestern Pennsylvania through West Virginia to Northern Virginia. In Virginia, the line would run about 28 miles through Frederick and Warren counties, generally adjacent to other transmission lines, to an interconnection point with Dominion Virginia Power. Dominion would extend the line from that point to its Loudoun substation in Loudoun County.

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.

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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