

800 Cabin Hill Drive, Greensburg, PA 15601-1689

Media contact:

Doug Colafella
Manager, Corporate Communications
Phone: (724) 838-6387
Media Hotline: (888) 233-3583
E-mail: dcolafe@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**Hearing Examiner Recommends Approval of Allegheny Energy Transmission Line in Virginia**

GREENSBURG, Pa., July 28 , 2008 – Trans-Allegheny Interstate Line Company (TrAILCo), a subsidiary of Allegheny Energy, Inc. (NYSE: AYE), announced today that the Hearing Examiner in Virginia has recommended that the State Corporation Commission authorize construction of the 500-kilovolt Virginia segments of the Trans-Allegheny Interstate Line (TrAIL).

In his report, Hearing Examiner Alexander F. Skirpan Jr. finds the line is necessary to resolve overloads projected to occur on the transmission system as soon as 2011. He recommends that the Commission approve TrAIL if state regulators in Pennsylvania and West Virginia also approve the line. He also recommends specific routing for the line which would be located primarily adjacent to or within existing transmission right-of-way in Virginia. TrAILCo will carefully evaluate the recommendations outlined by Hearing Examiner Skirpan, and will provide its comments to the Commission.

“We are encouraged that the Hearing Examiner recognizes the need for TrAIL,” said Paul J. Evanson, Chairman, President and Chief Executive Officer of Allegheny Energy. “This project is critical to ensuring the ongoing reliability of the grid to meet the region’s growing demand for electricity.”

The Hearing Examiner called the segment of TrAIL from 502 Junction in Pennsylvania to Loudoun, Virginia “the best alternative to meet the need demonstrated in these proceedings.”

TrAIL in Virginia would run about 28 miles through Frederick and Warren counties generally adjacent to an existing 500-kilovolt line to an interconnection point with Dominion Virginia Power. Dominion would extend the line from that point to its Loudoun substation in Loudoun County.

TrAIL is targeted for completion in 2011, and will span Allegheny Power’s transmission zone from Southwestern Pennsylvania through West Virginia to Northern Virginia. Construction of the proposed line also is subject to approval of state regulatory commissions in Pennsylvania and West Virginia.

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.

-###-