



MEDIA RELEASE

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SALE OF ALLEGHENY ENERGY'S VIRGINIA TERRITORY APPROVED

*--Co-ops take over service for Potomac Edison customers on June 1--
--Customers assured of smooth, seamless transition--*

Fredericksburg and Mount Crawford, Virginia; Greensburg, Pennsylvania, May 17, 2010 – The Virginia State Corporation Commission, on Friday, gave final approval allowing Rappahannock and Shenandoah Valley Electric Cooperatives to acquire the Virginia distribution assets of Allegheny Energy, Inc. (NYSE: AYE). Customers in the existing territory of Allegheny's Potomac Edison subsidiary can expect a smooth and seamless transition to service provided by the cooperatives.

“After many months of hard work and planning, both cooperatives are looking forward to providing electric service to our respective new members currently being served by Potomac Edison,” said Myron Rummel, President and CEO of Shenandoah Valley Electric Cooperative. “Former Potomac Edison customers can be assured that they will receive the same safe, reliable and affordable power that current members of both cooperatives have enjoyed for generations.”

“I appreciate the time and effort that the State Corporation Commission invested in reviewing and approving this acquisition,” noted Kent D. Farmer, President and CEO of Rappahannock Electric Cooperative. “We look forward to getting to know our new member-owners and are committed to making the transition to the cooperatives as smooth as possible.”

“We’re pleased by the Commission’s decision,” said Rodney L. Dickens, President, Allegheny Power. “We will continue to work with the Commission and the cooperatives to finalize the sale and make the transition as smooth as possible for our customers.”

Last month, Potomac Edison joined Rappahannock and Shenandoah Valley Electric Cooperatives, the Virginia Office of the Attorney General (Division of Consumer Counsel) and the Frederick County Board of Supervisors in filing a settlement agreement with the Commission. Terms of the settlement were detailed in a joint Allegheny-cooperative news release dated April 28, 2010.

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Friday's Virginia Commission order is the final regulatory approval required for completion of the transaction. Allegheny and the cooperatives anticipate closing the sale by June 1.

Both cooperatives will be contacting Potomac Edison customers in the near future with information concerning the transition and any changes they might see as members of one of the cooperatives. In addition, both cooperatives have prominently placed information about the transition on their websites for customers seeking immediate information.

About Shenandoah Valley and Rappahannock Electric Cooperatives

Both Shenandoah Valley and Rappahannock are member-owned, not-for-profit utilities. A board of directors elected by its respective consumers governs each cooperative, thereby giving member/owners a voice in the leadership of the cooperatives. All profits are allocated back to the member/owners based on patronage.

Shenandoah Valley Electric Cooperative will maintain over 7,600 miles of electric lines and will serve more than 89,000 consumers in the Virginia counties of Augusta, Clarke, Frederick, Highland, Page, Rockingham, Shenandoah and Warren, and Hardy County in West Virginia. For additional information about SVEC, please visit our webpage at www.svec.coop.

Rappahannock Electric Cooperative will now provide electric service to over 150,000 connections in parts of 21 Virginia counties. With its general office in Fredericksburg, VA, Rappahannock will maintain more than 15,500 miles of power lines through its service area, ranging from the Blue Ridge Mountains to the mouth of the Rappahannock River. For information about REC, please visit our webpage at www.myrec.coop.

About 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 consumers in Pennsylvania, West Virginia, Maryland and Virginia. For more information, visit our Web site at www.alleghenyenergy.com.

Through its Potomac Edison subsidiary, Allegheny serves approximately 102,000 consumers in northern Virginia. The sale will enable the company to focus on its core states of Pennsylvania, West Virginia and Maryland, as well as its generation fleet.

Forward-Looking Statements

In addition to historical information, this release may contain 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; and regulatory matters. 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.

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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 and actions of rating agencies; 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; inflationary and interest rate trends changes in market rules, including changes to PJM participant rules and tariffs; the effect of accounting pronouncements issued periodically by accounting standard-setting bodies and accounting issues facing our organization; 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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