

ALLEGHENY ENERGY, INC
Form 425
March 18, 2010

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Subject Company: Allegheny Energy, Inc.
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On March 18, 2010, FirstEnergy Corp. issued the following newsletter to its employees relating to the proposed merger with Allegheny Energy, Inc.

March 18, 2010

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**Merger Integration Teams Established;
Will Begin Work in April**

Merger Integration Teams of FirstEnergy and Allegheny employees have been established and will begin their work based in Akron in mid- to late April. Under the direction of the Steering Committee, the teams will develop plans to fully integrate the companies' operations following completion of the merger.

The teams are expected to develop the blueprints for how we'll combine significant parts of our companies. Thorough integration plans typically help post-merger operations run more smoothly because groups understand how they're expected to operate, says Executive Vice President and President, FirstEnergy Generation and Steering Committee Chairman **Gary Leidich**.

Members of the Program Office also have been established. The members of the Program Office are meeting next Monday to begin the critical task of managing this process. This work will include capturing the full value of combining these companies and ensuring we truly build a better FirstEnergy, says **Curtis Davis**, Allegheny's Chief Operating Officer, Generation and Allegheny Lead on the Steering Committee.

As this work progresses, we will keep you updated in the *Merger News*. In the meantime, please send your questions to:

merger@firstenergycorp.com or merger@alleghenyenergy.com.

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FirstEnergy Allegheny
Building A **Better** Company

Merger Integration Team Members

	FirstEnergy	Allegheny Energy
Steering Committee	Gary Leidich, Chair Lynn Cavalier Mark Clark Chuck Jones Leila Vespoli	Curtis Davis, Lead Rodney Dickens Ed Dudzinski David Feinberg Eric Gleason
Team Managers	Marty Hall, Lead	David Fisfis, Lead
Program Office	Ellen Boyd (Human Resources) Betsy DuWaldt (Communications) Matt Richlovsky (Financial) Eric Weaver (Analyst)	Patty Giovannelli (Financial) Barbara Jameson (Human Resources)
Corporate	Rhonda Ferguson, Lead Justin Biltz Betsy DuWaldt Karen Hall Kathy Kolich David Winston	David Gray, Lead George Blankenship Dan Dunlap Craig Galligan David Neurohr
Distribution	Mark Julian, Lead Mike Ferncez Kaye Jendrisak Rick O Callaghan Ed Shuttleworth Sally Simmons	Dave McDonald, Lead Mike Doran Anne Grealy Jim Longacre Jim Myers
Transmission	Stan Szwed, Lead John Martinez John Stephens	Jim Haney, Lead John Hilderbrand Rod Phillips
Finance	Kelley Mendenhall, Lead Amanda Curtis Jason Lisowski Mike Swartz Jon Taylor Kevin Warvell	Barry Pakenham, Lead Ray Bummer Linda Kladnik Mark Mader Dawn Ruffner Brenda Trout
Fossil Generation/ Environmental	Frank Lubich, Lead Doug Hartman Doug Koch Dave Petro Brian Warnaka Steve Wilkes	George Farah, Lead Jeannine Hammer Pete Kotsenas Jim Laughner Eric Meyer Sue Pauncic

Fuels/Dispatch

Mark Fraley, Lead
Bobby Brown
Gary Yeager

Mike Delmar, Lead
Jill Leasure
Robin Libbos

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Merger Integration Team Members *(continued from page 2)*

	FirstEnergy	Allegheny Energy
Human Resources	Jacquie Roth, Lead Peg Breetz Jim Deimling Mary Glance	Todd Faulk, Lead Tom Boothe David Lutz Warren Stough
IT	Ernie Maley, Lead Scott Enterline Scott Hipkins Rhonda Lapadot	Rick Arthur, Lead Gunther Hehn
Supply Chain	Randy Frame, Lead Meghan Beringer Cathy Shew	Jim Kauffman, Lead Tim Butala Don Server

Questions and Answers

Q When can FirstEnergy employees start to communicate with their counterparts at Allegheny? This will help to break the ice as we start viewing ourselves as a team.

A Outside of the Integration Team activities and traditional cooperation with other utilities, including the exchange of non-competitive information, such as safety and construction standards, we must continue to operate as separate companies. Except for the situations described above, you should not contact your counterparts without prior approval of the Integration Teams or Legal Department. With all the restrictions on how we interact during the pre-merger process, it is best to continue to focus on current work until the transaction closes.

It is very important that we all strictly comply with important legal requirements related to mergers. If you have questions, here are the Legal and FERC contacts:

FirstEnergy

Legal questions John Luecken or Morgan Parke

FERC Policy and Compliance-related questions Alan Laurich

Allegheny

Legal questions David Fisfis or James Arcuri

FERC Policy and Compliance-related questions Kathy Patton or Carol Krysevig

For information on additional merger requirements, refer to the [March 10 Merger News](#).

Q How can we create these special teams comprising FirstEnergy and Allegheny employees when legal restrictions limit interaction between companies?

A Working to plan the integration of the two companies is a type of activity we are allowed to do and is outside the scope of ongoing operations. The Integration Teams are focused solely on post-merger planning, not the operations of the companies in the interim. The teams will focus on assessing operations, processes and procedures, then documenting how employees in the major business groups will operate post-merger.

Information Concerning Forward-Looking Statements

In addition to historical information, this newsletter 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. Forward-looking statements relating to the proposed merger include, but are not limited to: statements about the benefits of the proposed merger involving FirstEnergy and Allegheny, including future financial and operating results; FirstEnergy's and Allegheny's plans, objectives, expectations and intentions; the expected timing of completion of the transaction; and other statements relating to the merger that are not historical facts. 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. Important factors could cause actual results to differ materially from those indicated by such forward-looking statements. With respect to the proposed merger, these factors include, but are not limited to: risks and uncertainties relating to the ability to obtain the requisite FirstEnergy and Allegheny shareholder approvals; the risk that FirstEnergy or Allegheny may be unable to obtain governmental and regulatory approvals required for the merger, or required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could reduce the anticipated benefits from the merger or cause the parties to abandon the merger; the risk that a condition to closing of the merger may not be satisfied; the length of time necessary to consummate the proposed merger; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; the diversion of management time on merger-related issues; the effect of future regulatory or legislative actions on the companies; and the risk that the credit ratings of the combined company or its subsidiaries may be different from what the companies expect. These risks, as well as other risks associated with the merger, will be more fully discussed in the joint proxy statement/prospectus that will be included in the Registration Statement on Form S-4 that will be filed with the SEC in connection with the merger. Additional risks and uncertainties are identified and discussed in FirstEnergy's and Allegheny's reports filed with the SEC and available at the SEC's website at www.sec.gov. Forward-looking statements included in this newsletter speak only as of the date of this newsletter. Neither FirstEnergy nor Allegheny undertakes any obligation to update its forward-looking statements to reflect events or circumstances after the date of this newsletter.

Additional Information and Where to Find It

In connection with the proposed merger between FirstEnergy and Allegheny, FirstEnergy will file with the SEC a Registration Statement on Form S-4 that will include a joint proxy statement of FirstEnergy and Allegheny and that also constitutes a prospectus of FirstEnergy. Allegheny and FirstEnergy will mail the joint proxy statement/prospectus to their respective stockholders. **Allegheny and FirstEnergy urge investors and shareholders to read the joint proxy statement/prospectus regarding the proposed merger when it becomes available, as well as other documents filed with the SEC, because they will contain important information.** You may obtain copies of all documents filed with the SEC regarding this proposed transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from Allegheny's website (www.alleghenyenergy.com) under the tab Investors and then under the heading SEC Filings. You may also obtain these documents, free of charge, from FirstEnergy's website (www.firstenergycorp.com) under the tab Investors and then under the heading Financial Information and then under the item SEC Filings.

Participants in the Merger Solicitation

Allegheny, FirstEnergy and their respective directors, executive officers and certain other members of management and employees may be soliciting proxies from Allegheny and FirstEnergy shareholders in favor of the merger and related matters. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Allegheny and FirstEnergy shareholders in connection with the proposed merger will be set forth in the joint proxy statement/prospectus when it is filed with the SEC. You can find information about Allegheny's executive officers and directors in its definitive proxy statement filed with the SEC on March 20, 2009 and in its Annual Report on Form 10-K filed with the SEC on March 1, 2010. You can find information about FirstEnergy's executive officers and directors in its definitive proxy statement filed with the SEC on April 1, 2009 and in its Annual Report on Form

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10-K filed with the SEC on February 19, 2010. Additional information about Allegheny's executive officers and directors and FirstEnergy's executive officers and directors can be found in the above-referenced Registration Statement on Form S-4 when it becomes available. You can obtain free copies of these documents from Allegheny and FirstEnergy using the website information above.

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