

SECURITIES AND EXCHANGE COMMISSION

(Release No. 35-28028)

Filings Under the Public Utility Holding Company Act of 1935, as amended (“Act”)

September 12, 2005

Notice is hereby given that the following filing(s) has/have been made with the Commission pursuant to provisions of the Act and rules promulgated under the Act. All interested persons are referred to the application(s) and/or declaration(s) for complete statements of the proposed transaction(s) summarized below. The application(s) and/or declaration(s) and any amendment(s) is/are available for public inspection through the Commission's Branch of Public Reference.

Interested persons wishing to comment or request a hearing on the application(s) and/or declaration(s) should submit their views in writing by **October 7, 2005**, to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-9303, and serve a copy on the relevant applicant(s) and/or declarant(s) at the address(es) specified below. Proof of service (by affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After **October 7, 2005**, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

Allegheny Energy, Inc., et. al (70-10330)

Allegheny Energy, Inc. ("Allegheny"), a registered holding company, and its wholly-owned public utility company subsidiary, Monongahela Power Company ("Monongahela" and, together with Allegheny, the "Applicants"), 800 Cabin Hill Drive, Greensburg, Pennsylvania 15601, have filed an application-declaration ("Application") under sections 12(c) and 12(d) of the Act and rules 44, 46, and 54 under the Act.

The Applicants request authorizations in connection with Monongahela's proposal to sell its utility assets located in Ohio, except certain excluded assets, to Columbus Southern Power Company ("CSP").¹ The sale is the result of a series of developments in connection with the restructuring of the electric utility industry in Ohio. In response to 1999 Ohio legislation that required Monongahela to provide its Ohio retail electric customers the right to choose their electric generation supplier beginning January 1, 2001, the Public Utilities Commission of Ohio ("PUCO") approved a settlement of Monongahela's transition plan, which included a transfer of its Ohio generation assets to an affiliate at book value and under which Monongahela guaranteed that its large commercial and industrial customers would be provided capped rates through 2003 and its other retail customers would be provided capped rates through 2005 should they elect not to choose an alternative supplier.

Monongahela and CSP have entered into an Asset Purchase Agreement ("APA") under which Monongahela has agreed to sell, assign, convey, transfer and deliver to CSP all of Monongahela's right, title, and interest in assets used by Monongahela in its Ohio

¹ CSP is an electric utility company and a subsidiary company of American Electric Power Company, Inc., a registered holding company

transmission and distribution business, with the exception of certain excluded assets.

These assets include, 59 miles of transmission lines, related substations and associated property, and approximately 1,167 miles of distribution facilities that are located in Ohio and that constitute utility assets under the Act. The associated property includes the easements and/or real property interests on which the lines and related substations are located and other physical property required for transmission and distribution service. In addition, Monongahela will transfer to CSP other assets, such as contracts, books, records, accounts, inventories, machinery, tools, furniture, and other personal property.

The purchase price for these assets will be the net book value at the time the Transaction closes of the assets identified as Acquired Assets in Section 2.1 of the APA, plus \$10,000,000, less Monongahela's share of property taxes as specified in the APA. The net book value of the utility assets to be sold to CSP was approximately \$46.6 million at March 31, 2005. The consideration for the utility assets to be sold in the Transaction was the product of arm's-length bargaining between unaffiliated parties. In addition, the Transaction is being undertaken at the behest, and under the review of, the PUCO. Applicants submit that for these reasons, the consideration Monongahela will receive reflects carrying value for the assets that the CSP will acquire in the Transaction and, therefore, will satisfy the requirements of section 12(d). Applicants submit that the authorizations requested in this Application are in their best interest and are appropriate for the protection of investors and consumers.

Applicants seek authority for Monongahela to dividend to Allegheny out of unearned surplus the proceeds received from the sale of those assets. The proceeds would be used by Allegheny to reduce debt and for other lawful corporate purposes.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz
Secretary