

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2011-03-01** | Period of Report: **2011-02-25**
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REPORTING OWNER

EVANSON PAUL J

CIK: **1182704**

Type: **4** | Act: **34** | File No.: **001-00267** | Film No.: **11653222**

Mailing Address
C/O ALLEGHENY ENERGY,
INC.
800 CABIN HILL DRIVE
GREENSBURG PA 15601

ISSUER

ALLEGHENY ENERGY, INC

CIK: **3673** | IRS No.: **135531602** | State of Incorp.: **MD** | Fiscal Year End: **1231**
SIC: **4911** Electric services

Mailing Address
800 CABIN HILL DRIVE
GREENSBURG PA 15601

Business Address
800 CABIN HILL DRIVE
GREENSBURG PA 15601
7248373000

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person EVANSON PAUL J			2. Issuer Name and Ticker or Trading Symbol ALLEGHENY ENERGY, INC [AYE]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) Chairman, President & CEO		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 02/25/2011					
C/O ALLEGHENY ENERGY, INC., 800 CABIN HILL DRIVE								
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
GREENSBURG, PA 15601								
(City)	(State)	(Zip)						

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$1.25 per share	02/25/2011		<u>D</u>		1,478,940.152	<u>D</u>	(1)	0	<u>D</u>	
Common Stock, par value \$1.25 per share	02/25/2011		<u>D</u>		845.9829	<u>D</u>	(2)	0	<u>I</u>	ESOSP (2)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Employee stock options (right to buy)	\$13.35	02/25/2011		<u>D</u>		150,000		(3)	02/18/2014	Common Stock	150,000	(3)	0	<u>D</u>	
Employee stock options (right to buy)	\$53.67	02/25/2011		<u>D</u>		266,498		(4)	02/22/2018	Common Stock	266,498	(4)	0	<u>D</u>	
Employee stock options (right to buy)	\$23.64	02/25/2011		<u>D</u>		582,525		(5)	02/27/2019	Common Stock	582,525	(5)	0	<u>D</u>	

Restricted Stock Units	(6)	02/25/2011		<u>A</u>		402,927.756	(6)	(6)	Common Stock	402,927.756	(6)	402,927.756	D	
Restricted Stock Units	(6)	02/25/2011		<u>D</u>		402,927.756	(6)	(6)	Common Stock	402,927.756	(6)	0	D	
Restricted Stock Units	(7)	02/25/2011		<u>A</u>		118,906	(7)	(7)	Common Stock	118,906	(7)	118,906	D	
Restricted Stock Units	(7)	02/25/2011		<u>D</u>		118,906	(7)	(7)	Common Stock	118,906	(7)	0	D	

Explanation of Responses:

1. Disposed of pursuant to the merger (the "Merger") of Allegheny Energy, Inc. ("Allegheny") with a subsidiary of FirstEnergy Corp. ("FirstEnergy") in exchange for 986,453 shares of the common stock, par value \$0.10 per share, of FirstEnergy ("First Energy Common Stock") having a market value, based on the closing price of a share of FirstEnergy Common Stock on the New York Stock Exchange on the effective date of the Merger, of \$37.75 per share.
2. Upon the effectiveness of the Merger, the shares of the common stock, par value \$1.25 per share, of Allegheny ("Allegheny Common Stock") that Mr. Evanson held indirectly through the Allegheny Energy, Inc. Employee Stock Ownership and Savings Plan were disposed of in exchange for 564 shares of FirstEnergy Common Stock.
3. These employee stock options, which originally were granted under Allegheny's 1998 Long Term Incentive Plan, became fully vested on September 28, 2010 in connection with approval of the Merger by Allegheny's stockholders. Simultaneously with the closing of the Merger on February 25, 2011, each option converted to an option to purchase 0.667 shares of FirstEnergy Common Stock at an exercise price of \$20.02 per share.
4. These employee stock options, which originally were granted under Allegheny's 1998 Long Term Incentive Plan, became fully vested on September 28, 2010 in connection with approval of the Merger by Allegheny's stockholders. Simultaneously with the closing of the Merger on February 25, 2011, each option converted to an option to purchase 0.667 shares of FirstEnergy Common Stock at an exercise price of \$80.47 per share.
5. These employee stock options, which originally were granted under Allegheny's 2008 Long Term Incentive Plan, became fully vested on September 28, 2010 in connection with approval of the Merger by Allegheny's stockholders. Simultaneously with the closing of the Merger on February 25, 2011, each option converted to an option to purchase 0.667 shares of FirstEnergy Common Stock at an exercise price of \$35.45 per share.
6. Mr. Evanson received a grant of performance shares in 2010 that, by its terms, would have resulted in the issuance to Mr. Evanson, in March 2013, of up to 718,872 shares of Allegheny Common Stock, based on the achievement of corporate performance goals in 2010, 2011 and 2012. Based on certain performance criteria now deemed to have been satisfied in connection with the Merger and the conversion of the performance shares to restricted stock units, Mr. Evanson became entitled to receive 402,927.756 restricted stock units, each representing the right to one share of Allegheny Common Stock, which immediately thereafter, converted to 268,752.81 restricted stock units, each representing the right to one share of FirstEnergy Common Stock, to be issued to Mr. Evanson within 30 days following the earlier of the termination of his employment or March 2013.
7. Mr. Evanson received a grant of performance shares in 2011 that, by its terms, would have resulted in the issuance to Mr. Evanson, in March 2013, of up to 237,812 shares of Allegheny Common Stock, based on the achievement of corporate performance goals in 2011 and 2012. Based on certain performance criteria now deemed to have been satisfied in connection with the Merger and the conversion of the performance shares to restricted stock units, Mr. Evanson became entitled to receive 118,906 restricted stock units, each representing the right to one share of Allegheny Common Stock, which immediately thereafter, converted to 79,310.3 restricted stock units, each representing the right to one share of FirstEnergy Common Stock, to be issued to Mr. Evanson within 30 days following the earlier of the termination of his employment or March 2013.

Signatures

/s/ Amanda J. Skov, Attorney-in-Fact

** Signature of Reporting Person

03/01/2011

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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