FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 1997

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________ to __________

Commission file number 1-13692
Commission file number 33-92734-01

AMERIGAS PARTNERS, L.P.
AMERIGAS FINANCE CORP.
(Exact name of registrants as specified in their charters)

Delaware	23-2787918
Delaware	23-2800532
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

460 North Gulph Road, King of Prussia, PA
(Address of principal executive offices)
19406
(Zip Code)
(610) 337-7000
(Registrants' telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

At July 31, 1997, the registrants had units and shares of common stock outstanding as follows:

AmeriGas Partners, L.P. -	22,060,407 Common Units
	19,782,146 Subordinated Units
AmeriGas Finance Corp. -	100 shares

AMERIGAS PARTNERS, L.P.

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AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(Thousands of dollars)

	June 30, 1997	September 30, 1996	June 30, 1996
ASSETS			
Current assets:			
Cash and cash equivalents	$ 21,206	$ 2,122	$ 24,370
Accounts receivable (less allowances for doubtful accounts of $7,783, $6,579, and $7,000, respectively)	82,781	85,926	78,097
Inventories	61,121	82,957	65,257
Prepaid expenses and other current assets	8,671	29,375	5,374
Total current assets	173,779	200,380	173,098
Property, plant and equipment (less accumulated depreciation and amortization of $159,408, $138,850, and $130,706, respectively)	445,330	454,112	449,487
Intangible assets (less accumulated amortization of $110,324, $94,785, and $92,737, respectively)	676,989	691,688	687,603
Other assets	24,714	26,043	42,827
Total assets	$1,320,812	$1,372,223	$1,353,015
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Current maturities of long-term debt	$ 11,787	$ 5,150	$ 5,260
Bank loans	-	15,000	-
Accounts payable - trade	33,133	46,891	27,204
Accounts payable - related parties	5,539	2,552	9,123
Other current liabilities	65,710	108,667	57,761
Total current liabilities	116,169	178,260	99,348
Long-term debt	684,966	687,303	664,038
Other noncurrent liabilities	63,962	58,927	81,740
Commitments and contingencies			
Minority interest	5,604	5,497	6,129
Partners' capital	450,111	442,236	501,760
Total liabilities and partners' capital	$1,320,812	$1,372,223	$1,353,015

The accompanying notes are an integral part of these financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(Thousands of dollars, except per unit)

	Three Months Ended June 30,		Nine Months Ended June 30,		Twelve Months Ended June 30,	
	1997	1996	1997	1996	1997	1996
Revenues:						
Propane	$ 159,796	$ 158,268	$ 844,292	$ 767,315	$ 1,001,787	$ 901,185
Other	17,870	17,284	64,639	68,801	84,253	90,842
	177,666	175,552	908,931	836,116	1,086,040	992,027
Costs and expenses:						
Cost of sales - propane	82,346	88,267	482,080	434,581	573,754	506,757
Cost of sales - other	7,062	7,948	27,849	33,675	37,646	44,426
Operating and administrative expenses	73,967	73,794	238,656	235,209	320,843	306,689
Depreciation and amortization	15,351	15,210	46,365	46,135	61,861	61,294
Miscellaneous income, net	(1,653)	(2,738)	(10,105)	(7,227)	(11,273)	(9,245)
	177,073	182,481	784,845	742,373	982,831	909,921
Operating income (loss)	593	(6,929)	124,086	93,743	103,209	82,106
Interest expense	(15,995)	(15,743)	(49,602)	(46,941)	(65,443)	(62,193)
Income (loss) before income taxes	(15,402)	(22,672)	74,484	46,802	37,766	19,913
Income tax (expense) benefit	122	327	(349)	332	(316)	488
Minority interest	128	199	(828)	(555)	(484)	(312)
Net income (loss)	$ (15,152)	$ (22,146)	$ 73,307	$ 46,579	$ 36,966	$ 20,089
General partner's interest in net income (loss)	$ (152)	$ (221)	$ 733	$ 466	$ 370	$ 201
Limited partners' interest in net income (loss)	$ (15,000)	$ (21,925)	$ 72,574	$ 46,113	$ 36,596	$ 19,888
Income (loss) per limited partner unit	$ (0.36)	$ (0.53)	$ 1.74	$ 1.11	$ 0.87	$ 0.48
Average limited partner units outstanding (thousands)	41,780	41,731	41,784	41,729	41,771	41,725

The accompanying notes are an integral part of these financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(Thousands of dollars)

	Nine Months Ended June 30, 1997	Nine Months Ended June 30, 1996	Twelve Months Ended June 30, 1997	Twelve Months Ended June 30, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 73,307	$ 46,579	$ 36,966	$ 20,089
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	46,365	46,135	61,861	61,294
Other, net	1,127	282	(2,593)	(341)
	120,799	92,996	96,234	81,042
Net change in:				
Accounts receivable	(1,039)	(19,023)	(9,818)	(25,977)
Inventories	22,218	14,239	4,787	(7,086)
Accounts payable	(10,815)	(408)	2,301	4,679
Other current assets and liabilities	(20,161)	(24,199)	2,271	2,523
Net cash provided by operating activities	111,002	63,605	95,775	55,181
CASH FLOWS FROM INVESTING ACTIVITIES:				
Expenditures for property, plant and equipment	(16,708)	(18,050)	(20,566)	(25,910)
Proceeds from disposals of assets	9,217	3,941	10,699	4,900
Decrease in short-term investments	-	9,000	-	31,000
Acquisition of businesses, net of cash acquired	(4,543)	(2,153)	(23,299)	(3,799)
Net cash provided (used) by investing activities	(12,034)	(7,262)	(33,166)	6,191
CASH FLOWS FROM FINANCING ACTIVITIES:				
Distributions	(69,614)	(69,544)	(92,797)	(88,341)
Minority interest activity	(736)	(762)	(1,024)	(1,004)
Decrease in bank loans	(15,000)	-	-	-
Issuance of long-term debt	8,131	14,008	31,132	14,008
Repayment of long-term debt	(2,691)	(10,492)	(3,110)	(11,318)
Capital contribution from General Partner	26	8	26	8
Partnership Formation fees and expenses	-	(4,758)	-	(11,512)
Net cash used by financing activities	(79,884)	(71,540)	(65,773)	(98,159)
Cash and cash equivalents increase (decrease)	$ 19,084	$(15,197)	$ (3,164)	$(36,787)
CASH AND CASH EQUIVALENTS:				
End of period	$ 21,206	$ 24,370	$ 21,206	$ 24,370
Beginning of period	2,122	39,567	24,370	61,157
Increase (decrease)	$ 19,084	$(15,197)	$ (3,164)	$(36,787)

The accompanying notes are an integral part of these financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL
(unaudited)
(Thousands, except unit data)

	Number of units					
	Common	Subordinated	Common	Subordinated	General partner	Total partners' capital
Balance September 30, 1996	21,949,272	19,782,146	$ 230,376	$ 207,439	$4,421	$442,236
Net income			38,164	34,410	733	73,307
Distributions			(36,335)	(32,583)	(696)	(69,614)
Issuance of Common Units in connection with acquisition	111,135		2,645		27	2,672
Capital contribution from General Partner			786	709	15	1,510
Balance June 30, 1997	22,060,407	19,782,146	$ 235,636	$ 209,975	$4,500	$450,111

The accompanying notes are an integral part of these financial statements.

AMERIGAS PARTNERS, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Thousands of dollars, except per unit)

1. BASIS OF PRESENTATION

AmeriGas Partners, L.P. (AmeriGas Partners), through its subsidiary AmeriGas Propane L.P. (the "Operating Partnership"), is the largest retail propane distributor in the United States. The Operating Partnership serves residential, commercial, industrial, motor fuel and agricultural customers from locations in 44 states, including Alaska and Hawaii. AmeriGas Partners and the Operating Partnership are Delaware limited partnerships. AmeriGas Propane, Inc. (the "General Partner") serves as the general partner of AmeriGas Partners and the Operating Partnership. The General Partner holds a 1% general partner interest in AmeriGas Partners and a 1.01% general partner interest in the Operating Partnership. In addition, the General Partner and certain of its wholly owned subsidiaries own an effective 56.5% limited partner interest in the Operating Partnership.

The condensed consolidated financial statements include the accounts of AmeriGas Partners, the Operating Partnership and their subsidiaries, collectively referred to herein as the Partnership. The General Partner's 1.01% interest in the Operating Partnership is accounted for in the condensed consolidated financial statements as a minority interest.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission. They include all adjustments which the Partnership considers necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. These financial statements should be read in conjunction with the financial statements and notes thereto included in the Partnership's Report on Form 10-K for the year ended September 30, 1996. Due to the seasonal nature of the Partnership's propane business, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. ACCOUNTING FOR DERIVATIVES

AmeriGas Partners utilizes derivative commodity contracts, including price swap agreements, call and put option contracts, and futures contracts, to manage market risk associated with a portion of its anticipated propane supply requirements, principally during the heating season.

AMERIGAS PARTNERS, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Thousands of dollars, except per unit)

Gains or losses on derivative commodity contracts associated with forecasted transactions are recognized when such forecasted transactions affect earnings. If a derivative contract is terminated early because it is probable that a transaction or forecasted transaction will not occur, any gain or loss as of such date is immediately recognized in earnings. If such derivative contract is terminated early for other economic reasons, any gain or loss as of the termination date is deferred and recorded when the associated transaction or forecasted transaction affects earnings.

3. DISTRIBUTIONS OF AVAILABLE CASH

Distributions of 55 cents per limited partner unit (the "Minimum Quarterly Distribution" or "MQD") for the quarters ended March 31, 1997, December 31, 1996 and September 30, 1996 were paid approximately 45 days after the end of each such quarter. On July 28, 1997, the Partnership declared the MQD on all Common and Subordinated units for the quarter ended June 30, 1997, payable August 18, 1997 to holders of record on August 8, 1997.

4. UNUSUAL ITEMS

In March 1997, the Partnership sold its 50% equity interest in Atlantic Energy, Inc. (Atlantic Energy), a refrigerated liquefied petroleum gas storage terminal in Chesapeake, Virginia. The resulting gain of $4,700 increased net income for the nine and twelve months ended June 30, 1997 by $4,652 or $.11 per limited partner unit.

During the three months ended March 31, 1996, the Partnership completed the arrangements for a refund of general liability insurance premium deposits which were previously paid by a predecessor company of the Partnership. The refund, which has been reflected as a reduction to operating expenses in the accompanying condensed consolidated statements of operations, increased net income for the nine and twelve months ended June 30, 1996 by $4,356 or $.10 per limited partner unit.

During the three months ended March 31, 1996, the Partnership completed a reassessment of its potential liability for environmental matters principally relating to the clean up of underground storage tanks (USTs). The reassessment indicated a reduction in estimated future costs and the resulting adjustment has been reflected as a reduction to operating expenses in the accompanying condensed consolidated statements of operations. The adjustment increased net income for the nine and twelve months ended June 30, 1996 by $3,312 or $.08 per limited partner unit.

AMERIGAS PARTNERS, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Thousands of dollars, except per unit)

In September 1995, the General Partner announced changes to its operating organizational structure in order to improve the Partnership's response to competitive conditions in regional and local markets. As a result of these organizational and management changes, the Operating Partnership accrued related expenses of $4,339 which decreased net income for the twelve months ended June 30, 1996 by $4,295 or $.10 per limited partner unit.

5. COMMITMENTS AND CONTINGENCIES

The Partnership has succeeded to the lease guarantee obligations of Petrolane Incorporated (Petrolane), a predecessor company of the Partnership, relating to Petrolane's divestiture of nonpropane operations prior to its 1989 acquisition by QFB Partners. These leases are currently estimated to aggregate approximately $81,000 (subject to reduction in certain circumstances). The leases expire through 2010 and some of them are currently in default. Under certain circumstances such lease obligations may be reduced by the earnings of such divested operations. The Partnership has succeeded to the indemnity agreement of Petrolane by which Texas Eastern Corporation (Texas Eastern), a prior owner of Petrolane, agreed to indemnify Petrolane against any liabilities arising out of the conduct of businesses that do not relate to, and are not a part of, the propane business, including lease guarantees. To date, Texas Eastern has directly satisfied its obligations without the Partnership's having to honor its guarantee.

In addition, the Partnership has succeeded to Petrolane's agreement to indemnify Shell Petroleum N.V. (Shell) for various scheduled claims that were pending against Tropigas de Puerto Rico (Tropigas). This indemnification agreement had been entered into by Petrolane in conjunction with Petrolane's sale of the international operations of Tropigas to Shell in 1989. The Partnership also succeeded to Petrolane's right to seek indemnity on these claims first from International Controls Corp., which sold Tropigas to Petrolane, and then from Texas Eastern. To date, neither the Partnership nor Petrolane has paid any sums under this indemnity, but several claims by Shell, including claims related to certain antitrust actions aggregating at least $68,000, remain pending.

The Partnership has identified environmental contamination at several of its properties. The Partnership's policy is to accrue environmental investigation and cleanup costs when it is probable that a liability exists and the amount or range of amounts can be reasonably estimated. However, in many circumstances future expenditures cannot be reasonably quantified because of a number of factors, including various costs associated with potential remedial alternatives, the unknown number of other potentially responsible parties involved and their ability to contribute to the costs of investigation and remediation, and changing environmental laws and regulations.

AMERIGAS PARTNERS, L.P.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Thousands of dollars, except per unit)

In addition to these environmental matters, there are various other pending claims and legal actions arising out of the normal conduct of the Partnership's business. The final results of environmental and other matters cannot be predicted with certainty. However, it is reasonably possible that some of them could be resolved unfavorably to the Partnership. Management believes, after consultation with counsel, that damages or settlements, if any, recovered by the plaintiffs in such claims or actions will not have a material adverse effect on the Partnership's financial position but could be material to operating results and cash flows in future periods depending on the nature and timing of future developments with respect to these matters and the amounts of future operating results and cash flows.

AMERIGAS FINANCE CORP.
(a wholly owned subsidiary of AmeriGas Partners, L.P.)

BALANCE SHEETS
(unaudited)

	June 30, 1997	September 30, 1996
ASSETS		
Cash	$1,000	$1,000
Total assets	$1,000	$1,000
STOCKHOLDER'S EQUITY		
Common stock, $.01 par value; 100 shares authorized, issued and outstanding	$ 1	$ 1
Additional paid-in capital	999	999
Total stockholder's equity	$1,000	$1,000

The accompanying note is an integral part of these financial statements.

AMERIGAS FINANCE CORP.
(A WHOLLY OWNED SUBSIDIARY OF AMERIGAS PARTNERS, L.P.)

NOTE TO BALANCE SHEETS

AmeriGas Finance Corp. (AmeriGas Finance), a Delaware corporation, was formed on March 13, 1995 and is a wholly owned subsidiary of AmeriGas Partners, L.P. (AmeriGas Partners). AmeriGas Partners was formed on November 2, 1994 as a Delaware limited partnership. AmeriGas Partners was formed to acquire and operate the propane businesses and assets of AmeriGas Propane, Inc., a Delaware corporation (AmeriGas Propane), AmeriGas Propane-2, Inc. (AGP-2) and Petrolane Incorporated (Petrolane) through AmeriGas Propane, L.P. (the "Operating Partnership"). AmeriGas Partners holds a 98.99% limited partner interest in the Operating Partnership and AmeriGas Propane, Inc., a Pennsylvania corporation and the general partner of AmeriGas Partners (the "General Partner"), holds a 1.01% general partner interest. On April 19, 1995, (i) pursuant to a Merger and Contribution Agreement dated as of April 19, 1995, AmeriGas Propane and certain of its operating subsidiaries and AGP-2 merged into the Operating Partnership (the "Formation Merger"), and (ii) pursuant to a Conveyance and Contribution Agreement dated as of April 19, 1995, Petrolane conveyed substantially all of its assets and liabilities to the Operating Partnership (the "Petrolane Conveyance"). As a result of the Formation Merger and the Petrolane Conveyance, the General Partner and Petrolane received limited partner interests in the Operating Partnership and the Operating Partnership owns substantially all of the assets and assumed substantially all of the liabilities of AmeriGas Propane, AGP-2 and Petrolane. AmeriGas Propane conveyed its limited partner interest in the Operating Partnership to AmeriGas Partners in exchange for 2,922,235 Common Units and 13,350,146 Subordinated Units of AmeriGas Partners and Petrolane conveyed its limited partner interest in the Operating Partnership to AmeriGas Partners in exchange for 1,407,911 Common Units and 6,432,000 Subordinated Units of AmeriGas Partners. Both Common and Subordinated units represent limited partner interests in AmeriGas Partners.

On April 19, 1995, AmeriGas Partners issued $100,000,000 face value of 10.125% Senior Notes due April 2007. AmeriGas Finance serves as a co-obligor of these notes.

AmeriGas Partners owns all 100 shares of AmeriGas Finance Common Stock outstanding.

AMERIGAS PARTNERS, L.P.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ANALYSIS OF RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 1997 (1997 THREE-MONTH PERIOD) COMPARED WITH THREE MONTHS ENDED JUNE 30, 1996 (1996 THREE-MONTH PERIOD)

Three Months Ended June 30,	1997	1996	Increase (Decrease)	
	(Millions, except per gallon and percentages)			
Gallons sold:				
Retail	145.4	146.5	(1.1)	(.8)%
Wholesale	34.5	45.7	(11.2)	(24.5)%
	179.9	192.2	(12.3)	(6.4)%
Degree days - % colder than normal (a)	9.9%	2.4%	-	-
Revenues:				
Retail propane	$143.3	$137.9	$ 5.4	3.9%
Wholesale propane	16.5	20.4	(3.9)	(19.1)%
Other	17.9	17.3	.6	3.5%
	$177.7	$175.6	$ 2.1	1.2%
Total margin (b)	$ 88.3	$ 79.3	$ 9.0	11.3%
EBITDA (c)	$ 15.9	$ 8.3	$ 7.6	91.6%
Operating income (loss)	$ .6	$ (6.9)	$ 7.5	108.7%

(a) Based on the weighted average deviation from average degree days during the 30-year period 1961-1990, as contained in the National Weather Service Climate Analysis Center database, for geographic areas in which AmeriGas Partners operates.

(b) Total revenues less total cost of sales.

(c) EBITDA (earnings before interest expense, income taxes, depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Retail volumes of propane sold were virtually unchanged during the 1997 three-month period, despite weather which was colder than in the prior-year period. The correlation of weather and retail sales volume is significantly lower in the third fiscal quarter than in the first and second fiscal quarters. The Partnership's management believes that the pass-through by propane distributors of higher propane product costs during the 1996/1997 heating season resulted in industry-wide customer conservation efforts which continued to impact sales volume in the 1997 three-month period. In addition, warmer-than-normal winter weather resulted in lower required deliveries during the spring. Although propane product cost was substantially higher during the first half of the 1996/1997 heating season, the spot price of propane at Mont Belvieu, a major U.S. storage and distribution hub, has declined from a high of 70.5 cents per gallon on December 16, 1996 to a price of 34.6 cents per gallon on June 30, 1997. Wholesale volumes of propane sold were lower in the 1997 three-month period reflecting reduced storage inventory sales associated with product cost management programs.

Total revenues from retail propane sales increased $5.4 million reflecting a $6.4 million increase as a result of higher average retail propane selling prices partially offset by a $1.0 million decrease in retail propane revenues resulting from the lower volumes sold. Wholesale propane revenues decreased $3.9 million reflecting the lower wholesale volumes sold partially offset by higher average wholesale propane selling prices.

Total propane margin increased in the 1997 three-month period principally reflecting the impact of higher average retail unit margin partially offset by reduced volumes of propane sold.

The increase in operating income and EBITDA during the three months ended June 30, 1997 principally reflects the impact of the higher total margin partially offset by a decrease in miscellaneous income. Total operating expenses were $74.0 million in the 1997 three-month period, virtually unchanged from the $73.8 million of operating expenses incurred by the Partnership in the 1996 three-month period, as higher compensation expenses were offset by reductions in insurance and marketing costs. Miscellaneous income in the three months ended June 30, 1997 was $1.1 million less than in the prior-year period principally due to reduced income from sales of fixed assets.

Interest expense was $16.0 million in the 1997 three-month period compared with $15.7 million in the prior-year period reflecting increased interest expense on the Partnership's Acquisition Facility principally as a result of higher amounts of debt outstanding.

AMERIGAS PARTNERS, L.P.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

NINE MONTHS ENDED JUNE 30, 1997 (1997 NINE-MONTH PERIOD) COMPARED WITH NINE MONTHS ENDED JUNE 30, 1996 (1996 NINE-MONTH PERIOD)

Nine Months Ended June 30,	1997	1996	Increase (Decrease)	
	(Millions, except per gallon and percentages)			
Gallons sold:				
Retail	664.7	706.1	(41.4)	(5.9)%
Wholesale	176.6	260.9	(84.3)	(32.3)%
	841.3	967.0	(125.7)	(13.0)%
Degree days - % colder (warmer) than normal (a)	(4.8)%	1.3%	-	-
Revenues:				
Retail propane	$737.7	$653.0	$ 84.7	13.0%
Wholesale propane	106.6	114.3	(7.7)	(6.7)%
Other	64.6	68.8	(4.2)	(6.1)%
	$908.9	$836.1	$ 72.8	8.7%
Total margin (b)	$399.0	$367.9	$ 31.1	8.5%
EBITDA (c)	$170.5	$139.9	$ 30.6	21.9%
Operating income	$124.1	$ 93.7	$ 30.4	32.4%

(a) Based on the weighted average deviation from average degree days during the 30-year period 1961-1990, as contained in the National Weather Service Climate Analysis Center database, for geographic areas in which AmeriGas Partners operates.

(b) Total revenues less total cost of sales.

(c) EBITDA (earnings before interest expense, income taxes, depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

Retail volumes of propane sold decreased in the nine months ended June 30, 1997 reflecting the effects of weather that was 6.5% warmer than in the prior-year period. In addition, significantly higher propane market prices primarily during the first half of the 1996/1997 heating season resulted in customer conservation efforts which further reduced retail volumes. Wholesale volumes of propane sold were lower in the 1997 nine-month period principally due to reduced low-margin sales of storage inventories.

Total revenues from retail propane sales increased $84.7 million reflecting a $123.0 million increase as a result of higher average retail propane selling prices partially offset by a $38.3 million decrease in retail propane revenues resulting from the lower volumes sold. The higher prices resulted principally from higher propane product costs experienced by the Partnership earlier in the fiscal year. Wholesale propane and other revenues decreased $11.9 million reflecting the lower wholesale volumes and lower hauling and appliance revenues.

Total propane margin was greater in the nine months ended June 30, 1997 reflecting the impact of higher average retail unit margin partially offset by reduced volumes of propane sold. Although the Partnership's propane product costs were significantly higher in the 1997 nine-month period, they were partially mitigated by favorable fixed-price supply commitments and, to a lesser extent, derivative contracts entered into by the Partnership as part of its overall propane supply strategy. In addition, the higher 1997 nine-month period average retail unit margin reflects the fact that retail unit margins in the prior-year period were adversely impacted by the effects of certain sales and marketing programs.

The increase in operating income and EBITDA during the 1997 nine-month period reflects the impact of the higher total margin and greater miscellaneous income partially offset by an increase in operating expenses. Total operating expenses were $238.7 million in the nine months ended June 30, 1997 compared with $235.2 million in the 1996 nine-month period. The 1996 operating expenses are net of $4.4 million from a refund of insurance premium deposits made in prior years and $3.3 million from a reduction in accrued environmental costs. Excluding the impact of these items in the 1996 nine-month period, operating expenses declined principally reflecting lower expenses related to sales and marketing programs and a reduction in insurance costs. Miscellaneous income increased $2.9 million in the nine months ended June 30, 1997 reflecting $4.7 million of income from the sale of the Partnership's 50% interest in Atlantic Energy, Inc., a refrigerated liquefied petroleum gas storage terminal in Chesapeake, Virginia. The Partnership sold its interest in Atlantic Energy after determining that it was not a strategic asset.

Interest expense was $49.6 million in the 1997 nine-month period compared with $46.9 million in the prior-year period reflecting increased interest expense on the Partnership's Revolving Credit and Acquisition facilities principally as a result of higher amounts outstanding.

AMERIGAS PARTNERS, L.P.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

TWELVE MONTHS ENDED JUNE 30, 1997 (1997 TWELVE-MONTH PERIOD) COMPARED WITH TWELVE MONTHS ENDED JUNE 30, 1996 (1996 TWELVE-MONTH PERIOD)

Twelve Months Ended June 30,	1997	1996	Increase (Decrease)	
	(Millions, except per gallon and percentages)			
Gallons sold:				
Retail	814.0	848.9	(34.9)	(4.1)%
Wholesale	225.4	299.8	(74.4)	(24.8)%
	1,039.4	1,148.7	(109.3)	(9.5)%
Degree days - % colder (warmer) than normal (a)	(4.6)%	1.6%	-	-
Revenues:				
Retail propane	$ 871.6	$ 770.5	$ 101.1	13.1%
Wholesale propane	130.2	130.7	(.5)	(.4)%
Other	84.2	90.8	(6.6)	(7.3)%
	$1,086.0	$ 992.0	$ 94.0	9.5%
Total margin (b)	$ 474.6	$ 440.8	$ 33.8	7.7%
EBITDA (c)	$ 165.1	$ 143.4	$ 21.7	15.1%
Operating income	$ 103.2	$ 82.1	$ 21.1	25.7%

(a) Based on the weighted average deviation from average degree days during the 30-year period 1961-1990, as contained in the National Weather Service Climate Analysis Center database, for geographic areas in which AmeriGas Partners operates.

(b) Total revenues less total cost of sales.

(c) EBITDA (earnings before interest expense, income taxes, depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under generally accepted accounting principles.

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Retail volumes of propane sold decreased in the 1997 twelve-month period reflecting the effects of warmer heating-season weather and price-induced customer conservation efforts. Wholesale volumes of propane sold were lower in the twelve months ended June 30, 1997 principally due to reduced low-margin sales of storage inventories.

Total revenues from retail propane sales increased $101.1 million reflecting a $132.8 million increase as a result of higher average retail propane selling prices partially offset by a $31.7 million decrease in retail propane revenues from the lower volumes sold. The higher average selling prices resulted principally from higher propane product costs experienced by the Partnership primarily during the first half of the 1997 twelve-month period. Wholesale propane and other revenues decreased $7.1 million principally reflecting lower hauling and appliance revenues.

Total propane margin was greater in the 1997 twelve-month period reflecting the impact of higher average retail unit margin partially offset by reduced volumes of propane sold. Although the Partnership's propane product costs were significantly higher during the first half of the 1997 twelve-month period, they were partially mitigated by favorable fixed-price supply commitments and financial contracts entered into by the Partnership as part of its overall propane supply strategy. In addition, the higher 1997 twelve-month period average retail unit margin reflects the fact that retail unit margins in the prior-year period were adversely impacted by the effects of certain sales and marketing programs.

The increase in operating income and EBITDA reflects the impact of the higher total margin and greater miscellaneous income partially offset by higher operating expenses. Total operating expenses were $320.8 million in the twelve months ended June 30, 1997 compared with $306.7 million in the 1996 twelve-month period. The 1996 twelve-month period operating expenses are net of $4.4 million from a refund of insurance premium deposits made in prior years and $3.3 million from a reduction in accrued environmental costs. The $6.5 million increase in operating expenses during the twelve months ended June 30, 1997, after adjusting for these items, principally reflects higher equipment maintenance expenses partially offset by lower costs associated with sales and marketing programs. Miscellaneous income increased $2.1 million in the 1997 twelve-month period principally from $4.7 million of income from the sale of the Partnership's 50% interest in Atlantic Energy.

Interest expense was $65.4 million in the twelve months ended June 30, 1997 compared with $62.2 million in the prior-year period. The increase reflects higher interest expense on the Partnership's Revolving Credit and Acquisition facilities principally due to higher amounts outstanding.

FINANCIAL CONDITION AND LIQUIDITY

FINANCIAL CONDITION

The Partnership's debt outstanding at June 30, 1997 totaled $696.8 million compared with $707.5 million at September 30, 1996. The decrease is principally a result of a $15 million decrease in borrowings under the Operating Partnership's Revolving Credit Facility partially offset by $7 million of borrowings under its Acquisition Facility.

Effective October 28, 1996, the Operating Partnership has a revolving credit agreement with the General Partner under which it may borrow up to $20 million to fund working capital, capital expenditures, and interest and distribution payments. This agreement is coterminous with, and generally comparable to, the Operating Partnership's Revolving Credit Facility. Borrowings under the General Partner Facility are unsecured and subordinated to all senior debt of the Partnership. Interest rates on borrowings are based upon one-month offshore interbank borrowing rates. Facility fees are determined in the same manner as fees under the Revolving Credit Facility. UGI Corporation has agreed to contribute on an as needed basis through its subsidiaries up to $20 million to the General Partner to fund such borrowings. Also effective October 28, 1996, the Operating Partnership's Bank Credit Agreement was amended to include a revolving $15 million sublimit under its Special Purpose Facility which can be used to fund working capital, capital expenditures, and interest and distribution payments. This sublimit is scheduled to expire April 12, 1998. At June 30, 1997, there were no borrowings under the General Partner Facility or the sublimit under the Special Purpose Facility. The Partnership is currently in the process of amending its Bank Credit Facilities to, among other things, extend the terms beyond the originally scheduled expiration dates.

During the nine months ended June 30, 1997, the Partnership declared and paid the MQD of 55 cents on all units for the quarters ended September 30, 1996, December 31, 1996 and March 31, 1997. The MQD for the quarter ended June 30, 1997 will be paid on August 18, 1997 to holders of record on August 8, 1997 of all Common and Subordinated units.

CASH FLOWS

Cash and cash equivalents totaled $21.2 million at June 30, 1997 compared with $2.1 million at September 30, 1996. Due to the seasonal nature of the propane business, cash flows from operating activities are generally strongest during the second and third fiscal quarters of the Partnership when customers pay for propane purchased during the heating season and are typically at their lowest levels during the first and fourth fiscal quarters. Accordingly, cash flows from operations during the nine months ended June 30, 1997 are not necessarily indicative of cash flows to be expected for a full year.

OPERATING ACTIVITIES. Cash provided by operating activities was $111.0 million during the nine months ended June 30, 1997 compared with $63.6 million in the comparable prior-year period. Cash flows from operations before changes in working capital were $120.8 million in the nine months ended

June 30, 1997 compared with $93.0 million during the nine months ended June 30, 1996 reflecting a significant improvement in the Partnership's operating performance. Changes in operating working capital during the nine months ended June 30, 1997 required $9.8 million of operating cash flow principally from decreases in accounts payable, accrued interest, and accrued employee compensation and benefits partially offset by a seasonal decrease in inventories. During the nine months ended June 30, 1996, changes in operating working capital required $29.4 million of operating cash flow.

INVESTING ACTIVITIES. Cash expenditures for property, plant and equipment totaled $16.7 million (including maintenance capital expenditures of $6.9 million) during the nine months ended June 30, 1997 compared with $18.1 million (including maintenance capital expenditures of $5.2 million) in the prior-year period. Proceeds from disposals of assets totaled $9.2 million during the nine months ended June 30, 1997 compared with $3.9 million in the same period last year. The proceeds during the nine months ended June 30, 1997 include the sale of the Partnership's 50% interest in Atlantic Energy. Maturing short-term investments increased cash flows from investing activities by $9.0 million during the 1996 nine-month period. During the nine months ended June 30, 1997, the Partnership acquired several propane businesses for $4.5 million in cash. In conjunction with one such acquisition, the Partnership issued 111,135 Common Units having a fair value of $2.6 million. During the nine months ended June 30, 1996, the Partnership made acquisition-related cash payments of $2.2 million.

FINANCING ACTIVITIES. During each of the nine-month periods ended June 30, 1997 and 1996, AmeriGas Partners declared and paid the MQD on all units and the general partner interest for the quarters ended September, December and March totaling $69.6 million. In addition, during each of the nine-month periods ended June 30, 1997 and 1996, the Operating Partnership distributed $.8 million to the General Partner in respect of the General Partner's 1.0101% interest in the Operating Partnership. During the nine months ended June 30, 1997, the Operating Partnership made $15 million of net repayments under its Revolving Credit Facility. The maximum amount of seasonal borrowings under the Partnership's working capital facilities during the nine months ended June 30, 1997 was $73 million compared with $25 million of such borrowings during the nine months ended June 30, 1996. Seasonal borrowing requirements in the prior-year period were lower due to the existence of significant cash balances at the beginning of such period. The Partnership also borrowed $7 million under its Acquisition Facility during the nine months ended June 30, 1997 relating to acquisitions made prior to fiscal 1997. There were borrowings of $9 million under the Acquisition Facility and $5 million under the Special Purpose Facility during the same period last year.

Cash paid for Partnership formation transactions during the nine months ended June 30, 1996 represents the reimbursement by the Partnership of fees and expenses previously paid by AmeriGas, Inc. relating to the formation of the Partnership.

AMERIGAS PARTNERS, L.P.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

COMMERCIAL ROW CASES, JUDICIAL COUNCIL OF CALIFORNIA, COORDINATION PROCEEDING NO. 3096. Beginning in June 1994, twenty-one complaints were filed against AmeriGas Propane, Inc., a Delaware corporation ("API") and a predecessor of AmeriGas Propane, L.P., in the Superior Court of California, arising from an explosion which occurred in Truckee, California on November 30, 1993. The explosion is alleged to have occurred as the result of the escape of propane gas from a fractured fitting in an underground supply line. The complaints sought relief for alleged personal injuries and/or property damage and named as defendants the manufacturer and the distributor of the fitting, in addition to API. The cases were consolidated by the Judicial Council of California as the Commercial Row Cases, Judicial Council Coordination Proceeding No. 3096. All of the claims have been settled and were dismissed with prejudice on June 16, 1997. All settlements were fully insured, subject to a $500,000 self-insured retention.

MATEEL ENVIRONMENTAL JUSTICE FOUNDATION V. AMERIGAS PROPANE, L.P. ET AL. On July 29, 1996, Mateel Environmental Justice Foundation ("Mateel") filed a complaint in the Superior Court of the State of California, County of San Francisco, alleging that AmeriGas Propane, L.P. (the "Operating Partnership"), and several other major propane gas distributors, are in violation of Proposition 65, "The Safe Drinking Water and Toxic Enforcement Act of 1986" (commonly referred to as "Prop 65"). The Operating Partnership is a 98.99% owned subsidiary of the Partnership. The Complaint alleges that the Operating Partnership and its co-defendants are required to provide warnings that the use of liquid propane would result in exposure to chemicals known to cause cancer and birth defects, and that the burning of liquid propane in heaters and other appliances causes exposure to carbon monoxide, benzene, formaldehyde and acetaldehyde. The maximum penalty under Prop 65 is $2,500 per day, per person exposed. In addition to the maximum penalty, Mateel sought attorney's fees and costs, together with an Order mandating compliance with Prop 65. On April 9, 1997, a Consent Judgment was reached with the Plaintiffs, which was approved by and filed with the Superior Court of the State of California, City and County of San Francisco. The settlement amount was not material.

AMERIGAS PARTNERS, L.P.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) List of Exhibits

10 Amendment No. 1 to the UGI Corporation 1992 Non-Qualified Stock Option Plan is incorporated by reference to Exhibit 10 to the UGI Utilities, Inc. Quarterly Report on Form 10-Q for the period ended June 30, 1997.

27.1 Financial Data Schedule of AmeriGas Partners, L.P.

27.2 Financial Data Schedule of AmeriGas Finance Corp.

(b) AmeriGas Partners, L.P. did not file any Current Reports on Form 8-K during the fiscal quarter ended June 30, 1997.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

AmeriGas Partners, L.P.
(Registrant)
By:
AmeriGas Propane, Inc.,
as General Partner

Date: August 13, 1997
By: C. L. Ladner
C. L. Ladner
Vice President - Finance & Accounting

AmeriGas Finance Corp.
(Registrant)

Date: August 13, 1997
By: C. L. Ladner
C. L. Ladner
Vice President - Finance & Accounting

AMERIGAS PARTNERS, L.P.

EXHIBIT INDEX

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27.1 Financial Data Schedule of AmeriGas Partners, L.P.

27.2 Financial Data Schedule of AmeriGas Finance Corp.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED BALANCE SHEET AND STATEMENT OF OPERATIONS OF AMERIGAS PARTNERS, L.P. AS OF AND FOR THE NINE MONTHS ENDED JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS INCLUDED IN AMERIGAS PARTNERS' QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 1997.

0000932628
AMERIGAS PARTNERS, L.P.
1,000

9-MOS
SEP-30-1996
OCT-01-1996
JUN-30-1997
21,206
0
90,564
7,783
61,121
173,779
604,738
159,408
1,320,812
116,169
684,966
0
0
0
450,111
1,320,812
908,931
908,931
509,929
509,929
0
0
49,602
74,484
349
73,307
0
0
0
73,307
1.74
1.74

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET OF AMERIGAS FINANCE CORP. AS OF JUNE 30, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH BALANCE SHEET INCLUDED IN AMERIGAS PARTNERS' QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 1997.

0000945792
AMERIGAS FINANCE CORP.

9-MOS
SEP-30-1996
OCT-01-1996
JUN-30-1997
1,000
0
0
0
0
1,000
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1,000
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