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 March 31, 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
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At April 30, 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)

	March 31, 1997	September 30, 1996	March 31, 1996
ASSETS			
Current assets:			
Cash and cash equivalents	$ 38,967	$ 2,122	$ 30,436
Accounts receivable (less allowances for doubtful accounts of $9,286, $6,579, and $7,554, respectively)	130,111	85,926	136,504
Inventories	47,829	82,957	62,590
Prepaid expenses and other current assets	13,649	29,375	6,508
Total current assets	230,556	200,380	236,038
Property, plant and equipment (less accumulated depreciation and amortization of $155,172, $138,850, and $122,800, respectively)	448,934	454,112	455,425
Intangible assets (less accumulated amortization of $104,458, $94,785, and $86,723, respectively)	681,741	691,688	693,623
Other assets	25,182	26,043	40,189
Total assets	$1,386,413	$1,372,223	$1,425,275
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Current maturities of long-term debt	$ 9,372	$ 5,150	$ 5,080
Bank loans	--	15,000	--
Accounts payable - trade	44,571	46,891	44,716
Accounts payable - related parties	2,650	2,552	1,101
Other current liabilities	84,833	108,667	76,540
Total current liabilities	141,426	178,260	127,437
Long-term debt	687,708	687,303	665,644
Other noncurrent liabilities	62,800	58,927	78,538
Minority interest	5,970	5,497	6,565
Partners' capital	488,509	442,236	547,091
Total liabilities and partners' capital	$1,386,413	$1,372,223	$1,425,275

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 March 31,		Six Months Ended March 31,	
	1997	1996	1997	1996
Revenues:				
Propane	$ 352,602	$ 352,398	$ 684,496	$ 609,047
Other	18,547	22,370	46,769	51,517
	371,149	374,768	731,265	660,564
Costs and expenses:				
Cost of sales - propane	207,809	198,254	399,734	346,314
Cost of sales - other	8,004	11,067	20,787	25,727
Operating and administrative expenses	81,082	84,495	164,689	161,415
Depreciation and amortization	15,514	15,453	31,014	30,925
Miscellaneous income, net	(7,054)	(1,645)	(8,452)	(4,489)
	305,355	307,624	607,772	559,892
Operating income	65,794	67,144	123,493	100,672
Interest expense	(16,901)	(15,635)	(33,607)	(31,198)
Income before income taxes	48,893	51,509	89,886	69,474
Income tax (expense) benefit	137	339	(471)	5
Minority interest	(522)	(550)	(956)	(754)
Net income	$ 48,508	$ 51,298	$ 88,459	$ 68,725
General partner's interest in net income	$ 485	$ 513	$ 885	$ 687
Limited partners' interest in net income	$ 48,023	$ 50,785	$ 87,574	$ 68,038
Income per limited partner unit	$ 1.15	$ 1.22	$ 2.10	$ 1.63
Average limited partner units outstanding (thousands)	41,780	41,731	41,755	41,727

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

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

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

	Six Months Ended March 31, 1997	Six Months Ended March 31, 1996
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 88,459	$ 68,725
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	31,014	30,925
Other, net	58	(467)
	119,531	99,183
Net change in:		
Accounts receivable	(47,488)	(76,569)
Inventories	35,409	16,903
Accounts payable	(2,229)	9,082
Other current assets and liabilities	(6,012)	(6,137)
Net cash provided by operating activities	99,211	42,462
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property, plant and equipment	(11,728)	(14,495)
Proceeds from disposals of assets	8,370	2,668
Decrease in short-term investments	--	9,000
Acquisition of businesses, net of cash acquired	(2,748)	(1,542)
Net cash used by investing activities	(6,106)	(4,369)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions	(46,368)	(46,359)
Minority interest activity	(498)	(473)
Decrease in bank loans	(15,000)	--
Issuance of long-term debt	7,000	14,008
Repayment of long-term debt	(1,420)	(9,650)
Capital contribution from General Partner	26	8
Net cash used by financing activities	(56,260)	(42,466)
PARTNERSHIP FORMATION TRANSACTIONS:		
Fees and expenses	--	(4,758)
Cash and cash equivalents increase (decrease)	$ 36,845	$ (9,131)
CASH AND CASH EQUIVALENTS:		
End of period	$ 38,967	$ 30,436
Beginning of period	2,122	39,567
Increase (decrease)	$ 36,845	$ (9,131)

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			46,073	41,501	885	88,459
Distributions			(24,144)	(21,760)	(464)	(46,368)
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 MARCH 31, 1997	22,060,407	19,782,146	$ 255,736	$ 227,889	$4,884	$488,509

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 serving 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. DISTRIBUTIONS OF AVAILABLE CASH

Distributions of 55 cents per limited partner unit (the "Minimum Quarterly Distribution" or "MQD") for the quarters ended September 30, 1996 and December 31, 1996 were paid on November 18, 1996 and February 18, 1997, respectively on all Common and Subordinated units. On April 28, 1997, the Partnership declared the MQD on all

Common and Subordinated units for the quarter ended March 31, 1997, payable May 18, 1997 to holders of record on May 9, 1997.

3. RELATED PARTY TRANSACTIONS

In accordance with the Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, the General Partner is entitled to reimbursement of all direct and indirect expenses incurred or payments it makes on behalf of the Partnership, and all other necessary or appropriate expenses allocable to the Partnership or otherwise reasonably incurred by the General Partner in connection with the Partnership's business. These costs totaled $46,586 and $93,887 during the three and six months ended March 31, 1997, respectively, and $50,733 and $98,294 during the three and six months ended March 31, 1996, respectively. In addition, UGI provides certain financial and administrative services to the General Partner. UGI bills the General Partner for these direct and indirect corporate expenses and the General Partner is reimbursed by the Partnership for these expenses. Such corporate expenses totaled $1,794 and $3,275, during the three and six months ended March 31, 1997, respectively, and $2,357 and $4,431, during the three and six months ended March 31, 1996, respectively.

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 three and six months ended March 31, 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 three and six months ended March 31, 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 three and six months ended March 31, 1996 by $3,312 or $.08 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 $85,000 (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 is reasonably estimable. 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. The Partnership intends to pursue recovery of any incurred costs through all appropriate means, although such recovery cannot be assured.

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)

	March 31, 1997	September 30, 1996	March 31, 1996
ASSETS			
Cash	$1,000	$1,000	
Subscription receivable	--	--	$1,000
Total assets	$1,000	$1,000	$1,000
STOCKHOLDER'S EQUITY			
Common stock, $.01 par value; 100 shares authorized, issued and outstanding	$ 1	$ 1	$ 1
Additional paid-in capital	999	999	999
Total stockholder's equity	$1,000	$1,000	$1,000

The accompanying notes are 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 MARCH 31, 1997 COMPARED WITH THREE MONTHS ENDED MARCH 31, 1996

Three Months Ended March 31,	1997	1996	Increase (Decrease)	
	(Millions, except per gallon and percentages)			
Gallons sold:				
Retail	267.6	315.3	(47.7)	(15.1)%
Wholesale	73.5	96.0	(22.5)	(23.4)%
	341.1	411.3	(70.2)	(17.1)%
Degree days - % colder (warmer) than normal (a)	(13.1)%	0.8%	--	--
Revenues:				
Retail propane	$ 308.5	$ 305.2	$ 3.3	1.1%
Wholesale propane	44.1	47.2	(3.1)	(6.6)%
Other	18.5	22.4	(3.9)	(17.4)%
	$ 371.1	$ 374.8	$ (3.7)	(1.0)%
Total margin (b)	$ 155.3	$ 165.4	$ (10.1)	(6.1)%
EBITDA (c)	$ 81.3	$ 82.6	$ (1.3)	(1.6)%
Operating income	$ 65.8	$ 67.1	$ (1.3)	(1.9)%

(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 three months ended March 31, 1997 due in large part to the effects of weather that was 14.4% warmer than in the prior-year period. In addition, higher propane market prices resulted in customer conservation efforts which further reduced retail volumes. Wholesale volumes of propane sold were lower in the three months ended March 31, 1997 principally reflecting reduced low-margin sales of storage inventories.

Total revenues from retail propane sales increased $3.3 million reflecting a $49.5 million increase as a result of higher average retail propane selling prices substantially offset by a $46.2 million decrease in retail propane revenues resulting from the lower volumes sold. The higher average selling prices reflect higher propane product costs which resulted principally from higher supply costs experienced early in the quarter as well as the seasonal liquidation of higher cost propane inventories purchased earlier in the fiscal year. The spot price of propane at Mont Belvieu, Texas, a major U.S. storage and distribution hub, increased dramatically during much of the first fiscal quarter of 1997 rising to a high of 70.5 cents per gallon on December 16, 1996. Propane spot market prices began to decline in late December 1996. The general trend of declining spot market prices continued into the second quarter of fiscal 1997 to a price of 36.75 cents per gallon on March 31, 1997. Wholesale propane and other revenues decreased $7.0 million reflecting the lower wholesale volumes and lower hauling and appliance revenues.

Total propane margin decreased in the three months ended March 31, 1997 principally reflecting the impact of lower volumes of propane sold partially offset by the effects of higher average unit margins.

The decrease in operating income and EBITDA during the three months ended March 31, 1997 reflects the impact of the lower total margin partially offset by lower operating expenses and an increase in miscellaneous income. Total operating expenses were $81.1 million in the three months ended March 31, 1997 compared with $84.5 million in the three months ended March 31, 1996. Operating expenses in the prior-year period 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. Miscellaneous income in the three months ended March 31, 1997 was $5.4 million greater than in the prior-year period principally due to $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 $16.9 million in the three months ended March 31, 1997 compared with $15.6 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)

SIX MONTHS ENDED MARCH 31, 1997 COMPARED WITH SIX MONTHS ENDED MARCH 31, 1996

Six Months Ended March 31,	1997	1996	Increase (Decrease)	
	(Millions, except per gallon and percentages)			
Gallons sold:				
Retail	519.3	559.6	(40.3)	(7.2)%
Wholesale	142.1	215.2	(73.1)	(34.0)%
	661.4	774.8	(113.4)	(14.6)%
Degree days - % colder (warmer) than normal (a)	(7.6)%	1.1%	--	--
Revenues:				
Retail propane	$ 594.4	$ 515.1	$ 79.3	15.4%
Wholesale propane	90.1	94.0	(3.9)	(4.1)%
Other	46.8	51.5	(4.7)	(9.1)%
	$ 731.3	$ 660.6	$ 70.7	10.7%
Total margin (b)	$ 310.7	$ 288.5	$ 22.2	7.7%
EBITDA (c)	$ 154.5	$ 131.6	$ 22.9	17.4%
Operating income	$ 123.5	$ 100.7	$ 22.8	22.6%

(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 six months ended March 31, 1997 reflecting the effects of warmer heating-season weather and price-induced customer conservation efforts.

Wholesale volumes of propane sold were lower in the six months ended March 31, 1997 principally due to reduced low-margin sales of storage inventories.

Total revenues from retail propane sales increased $79.3 million reflecting a $116.4 million increase as a result of higher average retail propane selling prices partially offset by a $37.1 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 particularly during the first quarter of fiscal 1997. Wholesale propane and other revenues decreased $8.6 million reflecting the lower wholesale volumes and lower hauling and appliance revenues.

Total propane margin was significantly greater in the six months ended March 31, 1997 reflecting the impact of higher average retail unit margins partially offset by reduced volumes of propane sold. Although the Partnership's propane product costs increased significantly, 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 six-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 six months ended March 31, 1997 reflects the impact of the higher total margin and an increase in miscellaneous income. Total operating expenses were $164.7 million in the six months ended March 31, 1997 compared with $161.4 million in the six months ended March 31, 1996. 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. Miscellaneous income increased $4.0 million in the six months ended March 31, 1997 primarily from $4.7 million of income from the sale of the Partnership's 50% interest in Atlantic Energy.

Interest expense was $33.6 million in the six months ended March 31, 1997 compared with $31.2 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.

FINANCIAL CONDITION AND LIQUIDITY

FINANCIAL CONDITION

The Partnership's debt outstanding at March 31, 1997 totaled $697.1 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 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 March 31, 1997, there were no borrowings under the General Partner Facility or the sublimit under the Special Purpose Facility.

During the six months ended March 31, 1997, the Partnership declared and paid the MQD of 55 cents on all units for the quarters ended September 30, 1996 and December 31, 1996. The MQD for the quarter ended March 31, 1997 will be made on May 18, 1997 to holders of record on May 9, 1997 of all Common and Subordinated units.

CASH FLOWS

Cash and cash equivalents totaled $39.0 million at March 31, 1997 compared with $2.1 million at September 30, 1996. The higher balance at March 31, 1997 is a result of cash generated by operating activities during the six months ended March 31, 1997. 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 six months ended March 31, 1997 are not necessarily indicative of cash flows to be expected for a full year.

OPERATING ACTIVITIES. Cash provided by operating activities was $99.2 million during the six months ended March 31, 1997 compared with $42.5 million in the comparable prior-year period. Cash flows

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

from operations before changes in working capital were $119.5 million in the six months ended March 31, 1997 compared with $99.2 million during the six months ended March 31, 1996 reflecting a significant improvement in the Partnership's operating performance. Changes in operating working capital during the six months ended March 31, 1997 required $20.3 million of operating cash flow principally from a seasonal increase in customer accounts receivable and a decrease in accrued employee compensation partially offset by a seasonal decrease in inventories. During the six months ended March 31, 1996, changes in operating working capital required $56.7 million of operating cash flow.

INVESTING ACTIVITIES. Cash expenditures for property, plant and equipment totaled $11.7 million (including maintenance capital expenditures of $5.0 million) during the six months ended March 31, 1997 compared with $14.5 million (including maintenance capital expenditures of $3.6 million) in the prior-year period. Proceeds from disposals of assets totaled $8.4 million during the six months ended March 31, 1997 compared with $2.7 million in the same period last year. The proceeds during the six months ended March 31, 1997 include proceeds from 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 six-month period. During the six months ended March 31, 1997, the Partnership acquired several propane businesses for $2.7 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 six months ended March 31, 1996, the Partnership made acquisition-related cash payments of $1.5 million.

FINANCING ACTIVITIES. During each of the six-month periods ended March 31, 1997 and 1996, AmeriGas Partners declared and paid the MQD on all units and the general partner interest for the quarters ended September and December totaling $46.4 million. In addition, during each of the six-month periods ended March 31, 1997 and 1996, the Operating Partnership distributed $.5 million to the General Partner in respect of the General Partner's 1.0101% interest in the Operating Partnership. During the six months ended March 31, 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 six months ended March 31, 1997 was $73 million compared with $25 million of such borrowings during the six months ended March 31, 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 six months ended March 31, 1997 relating to acquisitions made prior to fiscal 1997. There were borrowings of $5 million under the Acquisition Facility and $9 million under the Special Purpose Facility during the same period last year.

PARTNERSHIP FORMATION TRANSACTIONS. Cash paid for Partnership formation transactions during the six months ended March 31, 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 5. OTHER

Management Changes

Effective April 28, 1997, Charles L. Ladner was elected Vice President - - Finance and Accounting of AmeriGas Propane, Inc., the General Partner of AmeriGas Partners, L.P., replacing David C. Riggan. Mr. Ladner is also Chief Financial Officer of UGI Corporation, the parent of the General Partner. Effective March 10, 1997, Richard R. Eynon was elected Controller of AmeriGas Propane, Inc. Effective April 30, 1997, Messrs. Ladner and Eynon were elected Vice President-Finance and Accounting, and Controller, respectively, of AmeriGas Finance Corp.

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05/13/1997

Directors and Officers
AmeriGas Finance Corp.

DIRECTORS:
- ----------

Brendan P. Bovaird Last Elected: 04/30/1997	Director
Lon R. Greenberg Last Elected: 04/30/1997	Director
Charles L. Ladner Last Elected: 04/30/1997	Director

OFFICERS:
- ---------

Lon R. Greenberg Last Elected: 04/30/1997	President
Brendan P. Bovaird Last Elected: 04/30/1997	Vice President and General Counsel
Robert H. Knauss Last Elected: 04/30/1997	Vice President - Law, Associate General Counsel, Secretary
Charles L. Ladner Last Elected: 04/30/1997	Vice President - Finance and Accounting
Michael J. Cuzzolina Last Elected: 04/30/1997	Treasurer, Assistant Secretary
Richard R. Eynon Last Elected: 04/30/1997	Controller
Samuel R. Mauriello Last Elected: 04/30/1997	Assistant Treasurer

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) List of Exhibits

10 UGI Corporation 1997 Stock Option and Dividend Equivalent Plan is incorporated by reference to Exhibit 10.2 to the UGI Corporation Quarterly Report on Form 10-Q for the period ended March 31, 1997

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

27.2 Financial Data Schedule of AmeriGas Finance Corp.

(b) No current Reports on Form 8-K were filed during the fiscal quarter ended March 31, 1997 by AmeriGas Partners or AmeriGas Finance Corp.

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: May 14, 1997
- -------------------
By: C. L. Ladner

C. L. Ladner
Vice President - Finance & Accounting

AmeriGas Finance Corp.

(Registrant)

Date: May 14, 1997
- -------------------
By: C. L. Ladner

C. L. Ladner
Vice President - Finance & Accounting

AMERIGAS PARTNERS, L.P.

EXHIBIT INDEX

10	UGI Corporation 1997 Stock Option and Dividend Equivalent Plan is incorporated by reference to Exhibit 10.2 to the UGI Corporation Quarterly Report on Form 10-Q for the period ended March 31, 1997
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 SIX MONTHS ENDED MARCH 31, 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 MARCH 31, 1997.

0000932628
AMERIGAS PARTNERS, L.P.
1,000

6-MOS
SEP-30-1996
OCT-01-1996
MAR-31-1997
38,967
0
139,397
9,286
47,829
230,556
604,106
155,172
1,386,413
141,426
687,708
0
0
0
488,509
1,386,413
731,265
731,265
420,521
420,521
0
0
33,607
89,886
471
88,459
0
0
0
88,459
2.10
2.10

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET OF AMERIGAS FINANCE CORP. AS OF MARCH 31, 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 MARCH 31, 1997.

0000945792
AMERIGAS FINANCE CORP.

6-MOS
SEP-30-1996
OCT-01-1996
MAR-31-1997
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