

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE QUARTER ENDED JUNE 30, 1994

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	Registrant	State of Incorporation	IRS Employer Identification Number
1-7810	Energen Corporation	Alabama	63-0757759
2-38960	Alabama Gas Corporation	Alabama	63-0022000

2101 Sixth Avenue North  
Birmingham, Alabama 35203  
Telephone Number 205/326-2700

Alabama Gas Corporation, a wholly owned subsidiary of Energen Corporation, meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this Form with reduced disclosure format pursuant to General Instruction H(2).

Indicate by a check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. YES X NO \_\_\_\_

Indicate the number of shares outstanding of each of the issuers' classes of common stock, as of August 6, 1994:

Energen Corporation, \$0.01 par value	10,915,904 shares
Alabama Gas Corporation, \$0.01 par value	1,972,052 shares

ENERGEN CORPORATION AND ALABAMA GAS CORPORATION  
FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 1994

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME  
Energen Corporation and Subsidiaries  
(Unaudited)

(in thousands, except share data)	Three months ended		Nine months ended	
	June 30,		June 30,	
	1994	1993	1994	1993
Operating Revenues				
Natural gas distribution	\$ 66,070	\$ 69,452	\$ 303,331	\$ 288,632
Oil and gas production activities	6,414	4,932	18,785	14,810
Other	2,477	2,948	13,286	11,655
Intercompany eliminations	(1,836)	(2,008)	(6,271)	(6,019)
 Total operating revenues	 73,125	 75,324	 329,131	 309,078
 Operating Expenses				
Cost of gas	30,669	36,557	167,955	163,543
Operations	23,180	21,603	70,020	63,144
Maintenance	2,490	2,281	7,179	7,017
Depreciation, depletion and amortization	7,029	6,353	20,536	18,540
Taxes, other than income taxes	5,432	5,549	23,033	21,620

Total operating expenses	68,800	72,343	288,723	273,864
Operating Income	4,325	2,981	40,408	35,214
Other Income (Expense)				
Interest expense, net of amounts capitalized	(2,837)	(2,649)	(8,582)	(7,982)
Dividends on preferred stock of subsidiary		(21)		(63)
Gain on sale of assets	2,142		2,142	
Other, net	2,403	591	3,247	1,584
Total other income (expense)	1,708	(2,079)	(3,193)	(6,461)
Income Before Income Taxes	6,033	902	37,215	28,753
Income taxes	2,083	(179)	8,773	5,057
Net Income	\$ 3,950	\$ 1,081	\$ 28,442	\$23,696
Earnings Per Average Common Share	\$ 0.36	\$ 0.11	\$ 2.63	\$ 2.32
Dividends Per Common Share	\$ 0.27	\$ 0.26	\$ 0.81	\$ 0.78
Average Common Shares Outstanding	10,917	10,255	10,806	10,216

The accompanying Notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS  
Energen Corporation and Subsidiaries  
(Unaudited)

(in thousands)	June 30, 1994	September 30, 1993
ASSETS		
Property, Plant and Equipment		
Utility plant	\$448,328	\$429,115
Less accumulated depreciation	227,208	215,892
Utility plant, net	221,120	213,223
Oil and gas properties, successful efforts method	89,570	86,077
Less accumulated depreciation, depletion and amortization	40,578	35,150
Oil and gas properties, net	48,992	50,927
Other property net	5,377	8,947

Total property, plant and equipment, net	275,489	273,097
Current Assets		
Cash and cash equivalents	56,489	15,008
Accounts receivable, net of allowance for doubtful accounts of \$2,027 at June 30, 1994 and \$1,927 at September 30, 1993	24,888	36,181
Inventories, at average cost		
Storage gas	18,466	
Materials and supplies	8,027	8,957
Liquified natural gas in storage	3,167	3,636
Deferred gas costs	1,713	2,966
Deferred income taxes	10,255	4,090
Prepayments and other	2,741	4,034
Total current assets	125,746	74,872
Other Assets		
Notes receivable	4,691	6,798
Deferred charges and other	10,993	15,918
Total other assets	15,684	22,716
TOTAL ASSETS	\$416,919	\$370,685

The accompanying Notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS  
Energen Corporation and Subsidiaries  
(Unaudited)

	June 30,	September 30,
(in thousands)	1994	1993

CAPITAL AND LIABILITIES

Capitalization

Preferred stock, cumulative \$0.01 par value, 5,000,000 shares authorized	\$	\$
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Common shareholders' equity

Common stock, \$0.01 par value; 30,000,000 shares authorized 10,917,355 shares outstanding at June 30, 1994, and 10,320,317 shares outstanding at September 30, 1993	109	103
Premium on capital stock	81,063	66,368
Capital surplus	2,802	2,802
Retained earnings	90,791	71,040
Treasury stock at cost; 2,000 shares	(44)	

Total common shareholders' equity	174,721	140,313
Long-term debt	125,760	85,852

Total capitalization	300,481	226,165
Current Liabilities		
Long-term debt due within one year	4,593	5,043
Notes payable to banks		40,000
Accounts payable	19,567	27,609
Accrued taxes	20,815	9,656
Customers' deposits	17,258	16,719
Amounts due customers	10,547	5,105
Accrued wages and benefits	10,354	8,054
Other	15,421	13,232
Total current liabilities	98,555	125,418
Deferred Credits and Other Liabilities		
Deferred income taxes	564	480
Accumulated deferred investment tax credits	4,712	5,077
Other	12,607	13,545
Total deferred credits and other liabilities	17,883	19,102
Commitments and Contingencies		
TOTAL CAPITAL AND LIABILITIES	\$416,919	\$370,685

The accompanying Notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOW  
Energen Corporation and Subsidiaries  
(Unaudited)

Nine months ended June 30, (in thousands)	1994	1993
Operating Activities		
Net Income	\$ 28,442	\$ 23,696
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	20,536	18,540
Deferred income taxes, net	(6,502)	(2,060)
Deferred investment tax credits, net	(365)	(397)
Gain on sale of assets	(2,142)	
Gain on sale of equity securities	(2,878)	
Net change in:		
Accounts receivable	10,780	(2,814)
Inventories	(18,227)	1,232
Accounts payable	(8,042)	3,631
Other current assets and liabilities	23,647	641
Other, net	437	1,001
Net cash provided by operating activities	45,686	43,470
Investing Activities		
Additions to property, plant and equipment	(25,765)	(31,955)

Proceeds from sale of equity securities	4,808	
Proceeds from sale of assets	8,624	
Payments on notes receivable	1,394	1,044
Other, net	1,640	182
Net cash used in investing activities	(9,299)	(30,729)
Financing Activities		
Purchase of treasury stock	(44)	
Payment of dividends on common stock	(8,689)	(7,975)
Issuance of common stock	14,699	1,943
Reduction of long-term debt and preferred stock of subsidiary	(10,542)	(9,648)
Proceeds from issuance of medium-term notes	49,670	14,555
Net change in short-term debt	(40,000)	(14,000)
Net cash provided by (used in) financing activities	5,094	(15,125)
Net change in cash and cash equivalents	41,481	(2,384)
Cash and cash equivalents at beginning of period	15,008	10,303
Cash and cash equivalents at end of period	\$ 56,489	\$ 7,919

The accompanying Notes are an integral part of these statements.

STATEMENTS OF INCOME  
Alabama Gas Corporation  
(Unaudited)

(in thousands)	Three months ended		Nine months ended	
	June 30, 1994	1993	June 30, 1994	1993
Operating Revenues	\$ 66,070	\$ 69,452	\$ 303,331	\$ 288,632
Operating Expenses				
Cost of gas	31,604	37,619	171,144	167,260
Operations	18,023	17,029	54,553	49,739
Maintenance	2,390	2,171	6,885	6,681
Depreciation	4,505	4,312	13,373	12,852
Income taxes				
Current	1,280	824	16,760	9,868
Deferred, net	(335)	(328)	(6,154)	(596)
Deferred investment tax credits, net	(122)	(132)	(365)	(397)
Taxes, other than income taxes	5,145	5,264	22,125	20,772
Total operating expenses	62,490	66,759	278,321	266,179
Operating Income	3,580	2,693	25,010	22,453

Other Income				
Allowance for funds used				
during construction	90	43	277	94
Other, net	207	168	188	455
Total other income	297	211	465	549
Interest Charges				
Interest on long-term debt	1,717	1,360	4,795	4,325
Other interest expense	361	507	1,497	1,435
Total interest charges	2,078	1,867	6,292	5,760
Net Income	1,799	1,037	19,183	17,242
Less cash dividends on				
cumulative preferred stock		21		63
Net Income Available				
for Common	\$ 1,799	\$ 1,016	\$ 19,183	\$ 17,179

The accompanying Notes are an integral part of these statements.

BALANCE SHEETS  
Alabama Gas Corporation  
(Unaudited)

(in thousands)	June 30, 1994	September 30, 1993
ASSETS		
Property, Plant and Equipment		
Utility plant	\$448,328	\$429,115
Less accumulated depreciation	227,208	215,892
Utility plant, net	221,120	213,223
Other property, net	240	83
Current Assets		
Cash and cash equivalents	27,119	480
Accounts receivable		
Gas	21,559	23,563
Merchandise	1,421	1,256
Other	896	1,011
Allowance for doubtful accounts	(2,000)	(1,800)
Inventories, at average cost		
Storage gas	18,466	
Materials and supplies	5,885	5,851
Liquified natural gas in storage	3,167	3,636
Deferred gas costs	1,713	2,966
Deferred income taxes	8,775	2,587
Prepayments and other	1,679	2,520

Total current assets	88,680	42,070
Deferred Charges and Other Assets	8,424	9,172
TOTAL ASSETS	\$318,464	\$264,548

The accompanying Notes are an integral part of these statements.

BALANCE SHEETS  
Alabama Gas Corporation  
(Unaudited)

(in thousands)	June 30, 1994	September 30, 1993
CAPITAL AND LIABILITIES		
Capitalization		
Common shareholders' equity		
Common stock, \$0.01 par value; 3,000,000 shares authorized 1,972,052 shares outstanding in 1994 and 1993	\$ 20	\$ 20
Premium on capital stock	31,682	21,682
Capital surplus	2,802	2,802
Retained earnings	85,374	74,886
Total common shareholder's equity	119,878	99,390
Cumulative preferred stock, \$0.01 par value, 120,000 shares authorized, issuable in series \$4.70 Series		
Long-term debt	84,420	43,912
Total capitalization	204,298	143,302
Current Liabilities		
Long-term debt due within one year	2,793	3,193
Notes payable to banks		29,000
Accounts payable		
Other	17,227	18,772
Affiliated companies	5,625	1,252
Accrued taxes	19,070	8,960
Customers' deposits	17,258	16,717
Supplier refunds due customers	828	740
Other amounts due customers	9,719	4,365
Accrued wages and benefits	6,557	5,261
Other	7,154	4,821
Total current liabilities	86,231	93,081
Deferred Credits and Other Liabilities		
Deferred income taxes	12,871	12,416
Accumulated deferred investment tax credits	4,712	5,077
Regulatory liability	7,158	7,717
Customer advances for construction and other	3,194	2,955



Total deferred credits and other liabilities	27,935	28,165
Commitments and Contingencies		
TOTAL CAPITAL AND LIABILITIES	\$ 318,464	\$ 264,548

The accompanying Notes are an integral part of these statements.

STATEMENTS OF CASH FLOW  
Alabama Gas Corporation  
(Unaudited)

Nine months ended June 30, (in thousands)	1994	1993
Operating Activities		
Net Income	\$ 19,183	\$ 17,242
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	13,373	12,852
Deferred income taxes, net	(6,154)	(596)
Deferred investment tax credits	(365)	(397)
Net change in:		
Accounts receivable	2,067	(2,066)
Inventories	(18,031)	276
Accounts payable	1,005	1,034
Other current assets and liabilities	21,816	3,120
Other, net	939	362
Net cash provided by operating activities	33,833	31,827
Investing Activities		
Additions or property, plant and equipment	(21,069)	(13,948)
Net advances from holding company	87	
Other, net	(118)	(152)
Net cash used in investing activities	(21,100)	(14,100)
Financing Activities		
Payment of dividends on common stock	(8,695)	(7,975)
Payment of dividends on preferred stock		(63)
Reduction of long-term debt and preferred stock	(9,892)	(8,838)
Proceeds from issuance of medium-term notes	49,670	
Proceeds from equity infusion from parent	10,000	
Net advances from (to) affiliates	1,823	(2,510)
Net change in short-term debt	(29,000)	1,000
Net cash provided by (used in) financing activities	13,906	(18,386)
Net change in cash	26,639	(659)
Cash at beginning of period	480	2,394
Cash at end of period	\$ 27,119	\$ 1,735

The accompanying Notes are an integral part of these statements.

NOTES TO UNAUDITED FINANCIAL STATEMENTS  
Energen Corporation and Alabama Gas Corporation

1. BASIS OF PRESENTATION

All adjustments to the unaudited financial statements which are, in the opinion of management, necessary for a fair statement of the results of operations for the interim periods have been recorded. Such adjustments consisted only of normal recurring items. The consolidated financial statements and notes thereto should be read in conjunction with the financial statements and notes for the years ended September 30, 1993, 1992, and 1991 included in the 1993 Annual Report of Energen Corporation (the Company) on Form 10-K. Certain reclassifications were made to conform prior years' financial statements to the current quarter presentation. The Company's primary business is seasonal in character and influenced by weather conditions. Results of operations for the interim periods are not necessarily indicative of the results which may be expected for the fiscal year.

2. REGULATORY

As a public utility in the state of Alabama, Alagasco is subject to regulation by the Alabama Public Service Commission (APSC), which has adopted several innovative approaches to rate regulation, including Alabama's Rate Stabilization and Equalization (RSE) rate-setting process. Implemented in 1983 and modified in 1985, 1987, and 1990, RSE replaced the traditional utility rate case with APSC-monitored periodic rate adjustments presently designed to give Alagasco the opportunity to earn an average return on equity (ROE) at its fiscal year-end within a specified range. Under Alagasco's current RSE order, which became effective December 1990, Alagasco's allowed ROE range is 13.15 percent to 13.65 percent. The APSC conducts quarterly reviews to determine, based on Alagasco's budget and fiscal year-to-date performance, whether Alagasco's projected ROE for the fiscal year will be within the allowed range. Reductions in rates bring the projected ROE within the allowed range. Increases, however, are permitted only once each fiscal year effective on December 1, and cannot exceed 4 percent of prior-year revenues.

RSE limits Alagasco's equity upon which a return is permitted to 60 percent of total capitalization and provides for a cost control measure designed to monitor Alagasco's operations and maintenance (O & M) expense. If increases in O & M expense per customer fall within 1.25 percent above or below the Consumer Price Index for all Urban Customers (index range), no adjustment is required. If, however, increases in O & M expense per customer exceed the index range, three-fourths of the difference is returned to customers. To the extent increases in O & M expense per customer are less than the index range, Alagasco will benefit by one-half of the difference through future rate adjustments. Effective December 15, 1990, the APSC approved a temperature adjustment to customers' monthly bills to mitigate the effect of departures from normal temperature on Alagasco's earnings. The calculation is performed monthly and adjusted on customer's bills in the actual month the weather variation occurs.

Under its terms, Alagasco's current RSE order continues until, after notice to Alagasco, the APSC votes to either modify or discontinue its operation. On October 4, 1993, the APSC unanimously voted to defer review of the current RSE order until such time as certain hearings mandated by the Energy Policy Act of 1992 (Energy Act) in connection with integrated resource planning and demand side management programs are completed. The proceedings are expected to continue through most of 1994. Following completion of the Energy Act proceedings, it is expected that the APSC will consider renewal of Rate RSE. Under RSE as extended, a \$.5 million annual decrease in revenue became effective October 1, 1993, a \$7.2 million annual increase in revenue

became effective December 1, 1993, and a \$1.0 million annual decrease in revenue became effective July 1, 1994.

### 3. SUPPLEMENTAL CASH FLOW INFORMATION

#### Energen Corporation

Nine months ended June 30, (in thousands)	1994	1993
Interest paid, net of amounts capitalized	\$ 9,029	\$ 9,158
Income taxes paid	\$ 7,571	\$ 3,906
Noncash investing activities (capitalized depreciation and allowance for funds used during construction)	\$ 396	\$ 231
Noncash financing activities (debt issuance costs)	\$ 330	\$

#### Alabama Gas Corporation

Nine months ended June 30, (in thousands)	1994	1993
Interest paid	\$ 7,024	\$ 7,186
Income taxes paid	\$ 8,843	\$ 4,562
Noncash investing activities (capitalized depreciation and allowance for funds used during construction)	\$ 396	\$ 231
Noncash financing activities (debt issuance costs)	\$ 330	\$

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated net income for the third quarter was \$3,950,000 (\$.36 per share) compared with \$1,081,000 (\$.11 per share) for the same period last year. One-time gains associated with Energen's other activities and a strong performance by Alabama Gas Corporation (Alagasco) combined to create increased earnings for the quarter. The Company sold substantially all of the assets of its propane distribution subsidiary as well as a majority of its investment in equity securities of a high-temperature combustion technology company resulting in approximately \$2 million in earnings for the quarter. Also, the utility continued to earn its allowed return on additional equity resulting from its investment in underground storage working gas.

Consolidated net income for the nine months was \$28,442,000 (\$2.63 per share) compared with \$23,696,000 (\$2.32 per share) for the same period of the prior year. The factors contributing to the increase in current quarter earnings held true for the year-to-date with higher conventional gas production activities at Taurus Exploration, Inc. (Taurus) further enhancing earnings.

Natural gas revenues decreased 5 percent for the quarter as a result of a 16 percent decrease in sales volumes to core customers offset in part by collections under the weather normalization adjustment. For the nine month period, natural gas revenues increased 5 percent primarily as a result of the recovery of Gas Supply Adjustment (GSA) costs.

Oil and gas revenues increased 30 percent for the quarter and 27 percent for the nine months primarily due to significantly higher conventional gas production and increased operating fees associated with a new operating project. Offsetting these increases to some degree were the effects of decreased oil prices and decreased consulting fees following the conclusion

of a major consulting contract. The average sales price of gas for the current quarter was \$1.83 per Mcf compared with \$1.73 per Mcf in the prior year. The average sales price of oil for the current quarter was \$14.16 per barrel compared with \$17.41 per barrel in the prior year. The average sales price of gas for the nine months ended June 30, 1994, and 1993, was \$1.93 per Mcf and \$1.88 per Mcf, respectively. The average sales price of oil for the nine months ended June 30, 1994, was \$14.08 per barrel compared with \$17.41 per barrel in the prior year. To hedge its exposure to such price fluctuations on oil and gas production, Taurus periodically enters into futures contracts. Under this program, Taurus has entered into futures contracts for the sale of 2.1 Bcf of its gas production with an average contract price of \$1.96, and for the sale of 42,000 barrels of its oil production at an average contract price of \$18.41 over the remainder of this fiscal year. Taurus has extended its program into fiscal 1995 for the sale of 4.6 Bcf of its gas production with an average contract price of \$2.17, and for the sale of 72,000 barrels of its oil production at an average contract price of \$18.41.

Other revenues for the quarter were 16 percent lower due primarily to decreased revenues from propane operations as a result of the asset sale. For the year-to-date, other revenues were 14 percent higher as increased sales from the merchandising operations more than offset decreases from propane operations.

The 15 percent decrease in cost of gas for the quarter was due largely to a 16 percent decrease in volumes sold to residential customers. Although volumes sold for the nine months remained virtually unchanged from the prior year, cost of gas increased 3 percent due primarily to the recovery of GSA costs offset largely by lower commodity cost of gas.

The 7 percent increase in operations and maintenance expense for the quarter was primarily due to increased labor and related expenses at Alagasco and increased exploration expenses at Taurus. Impacting the 11 percent increase for the nine months were labor and related expenses at Alagasco, increased operations expenses associated with merchandising operations, and increased exploration and lease operating expenses at Taurus.

Depreciation expense for the quarter and year-to-date increased 11 percent due largely to higher conventional gas production at Taurus and normal plant growth at Alagasco.

The Company's expense for taxes other than income taxes primarily reflects various state and local business taxes paid by Alagasco as well as various payroll-related taxes. The state and local business taxes are generally based on gross receipts of Alagasco and fluctuate accordingly.

Interest expense for the quarter and year-to-date rose 7 and 8 percent, respectively, due primarily to the issuance of \$50 million in unsecured notes in the current year offset in part by lower average short-term debt outstanding.

During the third quarter of the current year, the Company sold substantially all of the operating assets of its propane distribution subsidiary resulting in a pretax gain of \$2.1 million dollars and sold a majority of its investment in equity securities in a high-temperature combustion company for a pre-tax gain of \$1.5 million.

The increase in income tax expense for the quarter and year-to-date was primarily associated with increased pretax income. The Company anticipates effective tax rates to remain lower than statutory rates through the year 2002 as it expects to recognize all section 29 tax credits generated for financial statement purposes.

As previously discussed, the Company's business is seasonal in character and influenced by weather conditions. Results of operations for the interim periods are not necessarily indicative of the results that may be expected for the fiscal year.

Liquidity and Capital Resources

Two factors were primarily responsible for the \$2.2 million increase in cash provided by operations. The recovery of GSA costs and increases in accrued taxes payable (both reflected in other current assets and liabilities) were largely offset by Alagasco's current year purchase of storage gas. Fluctuations in accounts receivable and payable are generally the result of timing of payments.

Net cash from investing activities increased \$21.4 million over the prior year primarily as a result of three factors proceeds from the current year sale of equity securities, proceeds from the sale of assets of the propane subsidiary, and a decrease in capital expenditures. Capital expenditures for the prior year included the Company's investment of approximately \$13 million in conventional producing properties following the 1992 sale of nonconventional properties. Offsetting the current year decrease at Taurus was an increase in capital expenditures at Alagasco due in part to the development of a new customer information system.

The increase in net cash provided by financing activities of \$20.2 million is attributable to several occurrences in the current year. Proceeds from the issuance of 550,000 shares of Energen common stock in November of 1993 totaled \$13.5 million and were used to help fund the purchase of storage gas. Alagasco also issued \$50 million of medium-term notes which offered investors a combination of interest rates and investment periods ranging from 5.4 percent to 7.2 percent for notes redeemable December 1, 1998, to December 15, 2023. Alagasco used proceeds from these notes to fund the balance of the storage investment, redeem its 8.75 percent debentures, reduce its short-term debt outstanding, and to fund additional capital needs. During the third quarter, the Energen Board of Directors authorized the purchase of up to 500,000 shares of the Company's common stock. At June 30, 1994, the Company had repurchased 2,000 shares. Energen has short-term credit facilities totaling \$110 million available for working capital needs with \$6 million outstanding at June 30, 1993.

Capital Expenditures: Capital and exploration expenditures could approximate \$52 million in 1994, excluding municipal gas system acquisitions, and primarily will be used to fund normal distribution system expansion and the development of a new customer information system at Alagasco, and oil and gas development activities. The Company anticipates funding these capital expenditures through internally generated capital and the utilization of short-term credit facilities as needed. In addition to the capital expenditures, the Company will maintain an investment in storage working gas which is anticipated to average \$25 million.

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SELECTED BUSINESS SEGMENT DATA  
Energen Corporation

(in thousands)	Three months ended		Nine months ended	
	June 30,		June 30,	
	1994	1993	1994	1993
Natural Gas Distribution				
Operating Revenues (in thousands)				
Residential	\$ 42,982	\$ 45,346	\$ 205,166	\$ 192,121
Commercial and industrial - small	16,009	17,377	74,644	72,452
Commercial and industrial - large	30	(35)	763	1,205
Transportation	6,892	6,285	22,948	21,652
Other	157	479	(190)	1,202
 Total	 \$ 66,070	 \$ 69,452	 \$ 303,331	 \$ 288,632

Volumes sold and transported (thousands of Mcf)				
Residential	5,129	6,149	28,902	28,575
Commercial and industrial - small	2,498	2,859	12,000	12,286

Commercial and industrial - large	7	12	98	278
Transportation	12,785	11,669	39,700	38,109
Total	20,419	20,689	80,700	79,248

Other data (in thousands)				
Depreciation and amortization	\$ 4,505	\$ 4,312	\$ 13,373	\$ 12,852
Capital expenditures	\$ 7,451	\$ 5,061	\$ 21,465	\$ 14,179
Operating income	\$ 4,403	\$ 3,057	\$ 35,251	\$ 31,328

Oil and Gas Exploration and Production				
Operating revenues (in thousands)				
Natural gas	\$ 4,452	\$ 2,949	\$ 12,607	\$ 8,354
Oil	722	940	2,183	2,647
Other	1,240	1,043	3,995	3,809
Total	\$ 6,414	\$ 4,932	\$ 18,785	\$ 14,810

Sales volume- natural gas (thousands of Mcf)	2,431	1,702	6,368	4,435
Sales volume - oil (thousands of barrels)	51	54	155	152
Average sales price - natural gas (Per Mcf)	\$ 1.83	\$ 1.73	\$ 1.93	\$ 1.88
Average sales price - oil (per barrel)	\$ 14.16	\$ 17.41	\$ 14.08	\$ 17.41
Other data (in thousands)				
Depreciation, depletion and amortization	\$ 2,323	\$ 1,757	\$ 6,368	\$ 4,840
Capital expenditures	\$ 2,226	\$ 3,728	\$ 4,374	\$ 17,618
Exploration expenditures	\$ 1,093	\$ 255	\$ 1,287	\$ 819
Operating income	\$ 911	\$ 677	\$ 4,922	\$ 3,890

Other Business (in thousands)				
Operating revenues	\$ 2,477	\$ 2,948	\$ 13,268	\$ 11,655
Depreciation and amortization	\$ 201	\$ 284	\$ 795	\$ 848
Capital expenditures	\$ 125	\$ 118	\$ 322	\$ 389
Operating income	\$ (299)	\$ (128)	\$ 1,547	\$ 1,264

Eliminations and Corporate Expenses (in thousands)				
Operating loss	\$ (690)	\$ (625)	\$ (1,312)	\$ (1,268)

The accompanying Notes are an integral part of these statements.

## PART II. OTHER INFORMATION

### ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

None.

b. Reports on Form 8-K

No reports on Form 8-K were filed for the three months ended June 30, 1994.

### SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENERGEN CORPORATION  
ALABAMA GAS CORPORATION

August 12, 1994

By/s/ Rex J. Lysinger  
Rex J. Lysinger  
Chairman of the Board and Chief  
Executive Officer

August 12, 1994

By/s/ G. C. Ketcham  
G. C. Ketcham  
Executive Vice President, Chief  
Financial Officer and Treasurer

August 12, 1994

By/s/ J. T. McManus  
J. T. McManus  
Vice President-Finance and Corporate  
Development of Energen and Vice  
President-Finance and Planning of  
Alagasco