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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 MARCH 31, 1995

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 May 5, 1995:

Energen Corporation, $0.01 par value	10,913,501 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 MARCH 31, 1995

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF INCOME
Energen Corporation and Subsidiaries
(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
(in thousands, except share data)	1995	1994	1995	1994
Operating Revenues				
Natural gas distribution	$ 134,141	$158,268	$201,367	$ 237,261
Oil and gas production activities	6,311	6,170	12,242	12,371
Other	2,142	5,561	4,558	10,809
Intercompany eliminations	(1,774)	(1,912)	(3,863)	(4,435)
Total operating revenues	140,820	168,087	214,304	256,006
Operating Expenses				
Cost of gas	67,966	93,912	99,016	137,286
Operations	23,462	23,697	45,589	46,840
Maintenance	2,642	2,438	4,906	4,689
Depreciation, depletion, and amortization	7,194	6,796	14,160	13,507
Taxes, other than income taxes	9,254	10,874	14,895	17,601
Total operating expenses	110,518	137,717	178,566	219,923
Operating Income	30,302	30,370	35,738	36,083
Other Income (Expense)				
Interest expense, net of amounts capitalized	(2,670)	(2,823)	(5,445)	(5,745)
Other, net	536	648	1,260	844
Total other income (expense)	(2,134)	(2,175)	(4,185)	(4,901)
Income Before Income Taxes	28,168	28,195	31,553	31,182
Income taxes	6,454	6,003	7,103	6,690
Net Income	$ 21,714	$22,192	$24,450	$24,492

Earnings Per Average Common Share	$ 1.99	$ 2.03	$ 2.24	$ 2.28
Dividends Per Common Share	$ 0.28	$ 0.27	$ 0.56	$ 0.54
Average Common Shares Outstanding	10,908	10,917	10,914	10,750

The accompanying Notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS
Energen Corporation and Subsidiaries
(Unaudited)

(in thousands)	March 31, 1995	September 30, 1994
ASSETS		
Property, Plant and Equipment		
Utility plant	$ 480,615	$ 464,593
Less accumulated depreciation	239,632	231,327
Utility plant, net	240,983	233,266
Oil and gas properties, successful efforts method	101,693	92,355
Less accumulated depreciation, depletion and amortization	46,983	43,052
Oil and gas properties, net	54,710	49,303
Other property, net	4,155	4,613
Total property, plant and equipment, net	299,848	287,182
Current Assets		
Cash and cash equivalents	28,340	27,526
Accounts receivable, net of allowance for doubtful accounts of $2,015 at March 31, 1995 and $2,037 at September 30, 1994	43,643	34,145
Inventories, at average cost		
Storage gas	14,467	24,363
Materials and supplies	8,101	7,589
Liquified natural gas in storage	3,421	3,349
Deferred gas costs	3,962	1,460
Regulatory asset	7,200	-
Deferred income taxes	12,223	7,542
Prepayments and other	1,452	3,117
Total current assets	122,809	109,091
Other Assets		
Notes receivable	3,491	3,911
Deferred charges and other	10,973	11,130
Total other assets	14,464	15,041
TOTAL ASSETS	$ 437,121	$ 411,314

The accompanying Notes are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS
Energen Corporation and Subsidiaries
(Unaudited)

(in thousands, except share data)	March 31, 1995	September 30, 1994
CAPITAL AND LIABILITIES		
Capitalization		
Preferred stock, cumulative $0.01 par value, 5,000,000 shares authorized	$ -	$ -
Common shareholders' equity		
Common stock, $0.01 par value; 30,000,000 shares authorized, 10,903,977 shares outstanding at March 31, 1995 and 10,917,904 shares outstanding at September 30, 1994	109	109
Premium on capital stock	81,161	81,073
Capital surplus	2,802	2,802
Retained earnings	101,381	83,042
Treasury stock at cost, 16,600 shares	(361)	-
Total common shareholders' equity	185,092	167,026
Long-term debt	114,660	118,302
Total capitalization	299,752	285,328
Current Liabilities		
Long-term debt due within one year	4,629	10,123
Notes payable to banks	-	6,000
Accounts payable	34,867	27,480
Accrued taxes	18,032	13,083
Customers' deposits	18,561	17,462
Amounts due customers	18,852	11,734
Accrued wages and benefits	11,716	9,662
Other	15,558	15,129
Total current liabilities	122,215	110,673
Deferred Credits and Other Liabilities		
Deferred income taxes	1,960	1,706
Accumulated deferred investment tax credits	4,347	4,590
Other	8,847	9,017
Total deferred credits and other liabilities	15,154	15,313
Commitments and Contingencies	-	-
TOTAL CAPITAL AND LIABILITIES	$ 437,121	$ 411,314

The accompanying Notes are an integral part of these statements.

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

Six months ended March 31, (in thousands)	1995	1994
Operating Activities		
Net Income	$ 24,450	$ 24,492
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	14,160	13,507
Deferred income taxes, net	(4,770)	(5,643)
Deferred investment tax credits, net	(243)	(243)
Gain on sale of equity securities	-	(1,375)

Net change in:		
Accounts receivable	(9,498)	(16,455)
Inventories	9,312	(17,257)
Accounts payable	7,387	14,789
Other current assets and liabilities	7,612	13,475
Other, net	(158)	149
Net cash provided by operating activities	48,252	25,439
Investing Activities		
Additions to property, plant and equipment	(26,469)	(16,090)
Proceeds from sale of equity securities	-	3,305
Payments on notes receivable	420	1,073
Other, net	131	1,588
Net cash used in investing activities	(25,918)	(10,124)
Financing Activities		
Payment of dividends on common stock	(6,113)	(5,745)
Issuance of common stock	90	14,692
Purchase of treasury stock	(361)	-
Reduction of long-term debt and preferred stock of subsidiary	(9,136)	(10,460)
Proceeds from issuance of medium-term notes	-	49,670
Net change in short-term debt	(6,000)	(40,000)
Net cash provided by (used in) financing activities	(21,520)	8,157
Net change in cash and cash equivalents	814	23,472
Cash and cash equivalents at beginning of period	27,526	15,008
Cash and Cash Equivalents at End of Period	$28,340	$38,480

The accompanying Notes are an integral part of these statements.

STATEMENTS OF INCOME
Alabama Gas Corporation
(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
(in thousands)	1995	1994	1995	1994
Operating Revenues	$134,141	$158,268	$201,367	$237,261
Operating Expenses				
Cost of gas	68,835	94,930	100,829	139,540
Operations	19,852	18,282	38,209	36,530
Maintenance	2,607	2,342	4,835	4,495
Depreciation	4,784	4,441	9,521	8,868
Income taxes				
Current	14,568	15,119	15,630	15,480
Deferred, net	(4,657)	(5,787)	(4,775)	(5,819)
Deferred investment tax credits, net	(121)	(121)	(243)	(243)
Taxes, other than income taxes	8,997	10,577	14,389	16,980
Total operating expenses	114,865	139,783	178,395	215,831
Operating Income	19,276	18,485	22,972	21,430
Other Income				
Allowance for funds used during construction	223	111	409	187
Other, net	85	189	243	(19)
Total other income	308	300	652	168

Interest Charges				
Interest on long-term debt	1,680	1,659	3,437	3,078
Other interest expense	637	438	1,169	1,136
Total interest charges	2,317	2,097	4,606	4,214
Net Income Available for Common	$ 17,267	$16,688	$19,018	$17,384

The accompanying Notes are an integral part of these statements.

BALANCE SHEETS
Alabama Gas Corporation
(Unaudited)

(in thousands)	March 31, 1995	September 30, 1994
ASSETS		
Property, Plant and Equipment		
Utility plant	$ 480,615	$ 464,593
Less accumulated depreciation	239,632	231,327
Utility plant, net	240,983	233,266
Other property, net	180	183
Current Assets		
Cash and cash equivalents	13,786	156
Accounts receivable		
Gas	34,293	22,209
Merchandise	994	1,326
Other	1,814	1,512
Allowance for doubtful accounts	(2,000)	(2,000)
Inventories, at average cost		
Storage gas	14,467	24,363
Materials and supplies	5,632	5,688
Liquified natural gas in storage	3,421	3,349
Deferred gas costs	3,962	1,460
Regulatory asset	7,200	-
Deferred income taxes	10,381	5,724
Prepayments and other	1,096	2,595
Total current assets	95,046	66,382
Deferred Charges and Other Assets	9,007	9,074
TOTAL ASSETS	$ 345,216	$ 308,905

The accompanying Notes are an integral part of these statements.

BALANCE SHEETS
Alabama Gas Corporation
(Unaudited)

(in thousands, except share data)	March 31, 1995	September 30, 1994
CAPITAL AND LIABILITIES		
Capitalization		
Common shareholder's equity		
Common stock, $0.01 par value; 3,000,000 shares authorized, 1,972,052 shares outstanding at March 31, 1995 and September 30, 1994	$ 20	$ 20
Premium on capital stock	31,682	31,682
Capital surplus	2,802	2,802

Retained earnings	93,990	81,087
Total common shareholder's equity	128,494	115,591
Cumulative preferred stock, $0.01 par value, 120,000 shares authorized, issuable in series-$4.70 Series	-	-
Long-term debt	82,750	84,391
Total capitalization	211,244	199,982
Current Liabilities		
Long-term debt due within one year	2,854	2,823
Notes payable to banks	-	4,000
Accounts payable		
Other	28,846	19,002
Affiliated companies	4,711	132
Accrued taxes	19,015	14,241
Customers' deposits	18,561	17,462
Supplier refunds due customers	3,205	832
Other amounts due customers	15,647	10,902
Accrued wages and benefits	6,671	5,659
Other	8,602	7,605
Total current liabilities	108,112	82,658
Deferred Credits and Other Liabilities		
Deferred income taxes	13,929	13,704
Accumulated deferred investment tax credits	4,347	4,590
Regulatory liability	6,522	6,960
Customer advances for construction and other	1,062	1,011
Total deferred credits and other liabilities	25,860	26,265
Commitments and Contingencies	-	-
TOTAL CAPITAL AND LIABILITIES	$ 345,216	$ 308,905

The accompanying Notes are an integral part of these statements.

STATEMENTS OF CASH FLOW
Alabama Gas Corporation
(Unaudited)

Six months ended March 31, (in thousands)	1995	1994
Operating Activities		
Net Income	$ 19,018	$ 17,384
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,521	8,868
Deferred income taxes, net	(4,775)	(5,819)
Deferred investment tax credits	(243)	(243)
Net change in:		
Accounts receivable	(12,054)	(16,783)
Inventories	9,880	(17,512)
Accounts payable	9,911	18,017
Other current assets and liabilities	6,797	15,189
Other, net	(345)	684
Net cash provided by operating activities	37,710	19,785
Investing Activities		
Additions to property, plant and equipment	(16,729)	(13,745)
Net advances to holding company	-	87
Other, net	(138)	(118)
Net cash used in investing activities	(16,867)	(13,776)
Financing Activities		
Payment of dividends on common stock	(6,115)	(5,745)
Reduction of long-term debt	(1,610)	(9,860)

Proceeds from issuance of medium-term notes	-	49,670
Proceeds from equity infusion from parent	-	10,000
Net advances from affiliates	4,512	5,490
Net change in short-term debt	(4,000)	(29,000)
Net cash provided by (used in) financing activities	(7,213)	20,555
Net change in cash and cash equivalents	13,630	26,564
Cash and cash equivalents at beginning of period	156	480
Cash and Cash Equivalents at End of Period	$ 13,786	$ 27,044

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, 1994, 1993, and 1992 included in the 1994 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 an Alabama utility, Alagasco is subject to regulation by the Alabama Public Service Commission (APSC) which, in 1983, established the Rate Stabilization and Equalization (RSE) rate-setting process. RSE was extended for the third time on December 3, 1990, for a three-year period. Under the terms of that extension, RSE shall continue after November 30, 1993, unless, after notice to the Company, the Commission votes to either modify or discontinue its operation. On October 4, 1993, the Commission unanimously voted to extend RSE 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 Energy Act proceedings are expected to conclude during fiscal 1995 at which time it is expected that the Commission will begin reviewing Alagasco's RSE. No time table for review has yet been established.

Under RSE as extended, the APSC conducts quarterly reviews to determine, based on Alagasco's projections and fiscal year-to-date performance, whether Alagasco's return on equity for the fiscal year will be within the allowed range of 13.15 percent to 13.65 percent. Reductions in rates can be made quarterly to bring the projected return within the allowed range; increases, however, are allowed only once each fiscal year, effective December 1, and cannot exceed 4 percent of prior-year revenues. RSE limits the utility's equity upon which a return is permitted to 60 percent of total capitalization and provides for certain cost control measures designed to monitor the Company's operations and maintenance (O&M) expense. If O&M expense per customer falls within 1.25 percentage points above or below the Consumer Price Index For All Urban Customers (index range), no adjustment is required. If, however, O&M expense per customer exceeds the index range, three-quarters of the difference will be returned to the customers. To the extent O&M expense per customer is less than the index range, the utility 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 remove the effect of departures from normal temperature on Alagasco's earnings. The calculation is performed monthly, and the adjustment to customers' bills is made in the same month the weather variation occurs. Under RSE as extended, a $1.1 million decrease in revenue became effective October 1, 1994, and a $5.2 million annual increase in revenue became effective December 1, 1994.

The Company's rate schedules for natural gas distribution charges contained a Gas Supply Adjustment rider which permits the pass-through of changes in gas costs to customers and gas supply realignment surcharges imposed by the Company's suppliers resulting from changes in gas supply purchases related to the implementation of FERC Order 636.

In accordance with APSC-directed regulatory accounting procedures, Alagasco in 1989 began returning excess utility deferred taxes which resulted from a reduction in the federal statutory tax rate from 46 percent to 34 percent using the average

rate assumption method. This method provides for the return to ratepayers of excess deferred taxes over the lives of the related assets. In 1993 those excess taxes were reduced as a result of a federal tax rate increase from 34 percent to 35 percent. Approximately $3.1 million of remaining excess utility deferred taxes is being returned to ratepayers over approximately 16 years.

FERC Regulation On March 15, 1995 Southern Natural Gas Company (Southern) filed a comprehensive settlement with the Federal Energy Regulatory Commission (FERC) in the form of a Stipulation and Agreement (the Settlement) to resolve all issues in Southern's six pending rate cases, as well as to resolve all gas supply realignment and transition cost issues resulting from the implementation of FERC Order 636. The Settlement is supported by parties representing over 90% of the firm transportation demand on Southern's system, including local distribution companies (including Alagasco), municipal distribution systems, major gas producers, large industrial end users, marketers, and state commissions (including the APSC). The Settlement is subject to FERC approval which has not yet occurred as of the date of this filing.

Specifically, the Settlement provides for the following: (1) the resolution of all cost of service and rate design issues in Southern's six pending rate cases and the establishment of reduced rates for the purpose of calculating rate case refunds; (2) the implementation of reduced settlement rates on an interim basis for supporting parties commencing March 1, 1995 (by order dated April 4, 1995 FERC approved these interim rates pending its final review of the merits of the Settlement); (3) the resolution of all Gas Supply Realignment (GSR) and other transition cost issues resulting from FERC Order 636; (4) lower GSR cost recovery through the reduction and earlier payout of GSR costs; (5) a three-year moratorium on general rate increases; and (6) the resolution and disposition of all rate case and GSR refunds for supporting parties. With respect to this last point, the Settlement provides that all rate case refunds will be used to offset a portion of Southern's remaining GSR liability. In the Settlement filing with FERC, Southern has represented that the Settlement will allow Southern and the supporting parties to resolve all issues relating to GSR and other transition costs, the majority of which costs will be collected by the end of 1995. Alagasco estimates that it has a remaining GSR liability of approximately $6.0 million to be paid through December 1995 and approximately $1.2 million in other transition costs to be paid through March 1998, and has recorded such amounts in the financial statements. Because these costs will be recovered in full from Alagasco's customers in a timely manner through the GSA rider of Alagasco's Tariff (approved by APSC order dated October 4, 1993 in docket U-3497), the Company has recorded a corresponding regulatory asset in the accompanying financial statements.

In addition, as a result of the recalculated GSR surcharges for the period January 1, 1994 to February 28, 1995, Southern will refund over-collected GSR costs. Neither the total amount of this refund nor Alagasco's share has yet been determined, therefore, no amounts have been recorded in the financial statements.

3. SUPPLEMENTAL CASH FLOW INFORMATION

Energen Corporation

Six months ended March 31, (in thousands)	1995	1994
Interest paid, net of amounts capitalized	$ 6,675	$ 5,919
Income taxes paid	$ 2,615	$ 3,984
Noncash investing activities (capitalized depreciation and allowance for funds used during construction)	$ 487	$ 269
Noncash financing activities (debt issuance costs)	$ -	$ 330

Alabama Gas Corporation

Six months ended March 31, (in thousands)	1995	1994
Interest paid	$ 5,531	$ 4,420
Income taxes paid	$ 6,647	$ 4,612
Noncash investing activities (capitalized depreciation and allowance for funds used during construction)	$ 487	$ 269
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 second quarter was $21,714,000 ($1.99 per share), a slight decline from the prior year's $22,192,000 ($2.03 per share). Decreased earnings from Taurus Exploration (Taurus) and the absence of contribution from W & J Propane, which was sold in the third quarter of the prior year, were largely offset by increased earnings from Alagasco as it continued to earn its allowed return on a higher level of equity. Taurus's contribution to consolidated earnings declined 9 percent primarily due to lower natural gas prices and the timing of recognition of nonconventional fuel tax credits on an interim basis. Partially offsetting the impact of these items was a one time gain of $0.5 million associated with the buyout of a sales contract. Consolidated net income for the six months was $24,450,000 ($2.24 per share), compared to $24,492,000 ($2.28 per share) in the prior year. The factors primarily influencing earnings were the same as for the quarter.

Two factors created the majority of the 15 percent decrease in utility natural gas revenues for the quarter and year to date. The benefit of lower commodity cost of gas was passed through to customers in reduced rates. Additionally, warmer than normal weather resulted in a significant reduction in gas sales volumes to residential customers for both periods; partially offsetting that impact on revenues was the recovery of margins associated with departures from normal weather allowed by Alagasco's temperature adjustment provision.

A significant decrease in natural gas prices heavily influenced operating fees and natural gas production revenues at Taurus. Operating fees on certain coalbed methane properties are impacted by a variety of factors as defined by the operating agreements, including production volume, operating expenses and the price of natural gas. The decrease in the current quarter's operating fees is attributable almost exclusively to a 34 percent decrease in the average index price of natural gas. With respect to gas production revenues, after giving effect to hedged volumes, the average sales price per Mcf was $1.76 compared to $1.95 in the prior year.

Similar to the quarter, the decrease in the six month's operating fees is largely due to a 31 percent decrease in the average index price of natural gas. Likewise, gas production revenues were impacted by a lower average sales price, which, after giving effect to hedged volumes, was $1.78 per Mcf compared to $1.98 per Mcf in the prior year. Offsetting the effect of pricing in both the quarter and year to date was the buyout of the five remaining years of a long-term sales contract ($0.8 million) which covered a portion of the Company's coalbed methane production. A new contract has been executed which should provide a market for all of the Company's production for five years at prices tied to spot market indices.

To hedge its exposure to energy price fluctuations on oil and gas production over the remainder of this fiscal year, Taurus has entered into contracts for the sale of 3 Bcf of its gas production at an average contract price of $1.94 per Mcf, and for the sale of 54 MBbl of its oil production at an average contract price of $18.42 per Bbl. Based on current estimates for fiscal 1995 production (excluding additional producing property acquisitions), approximately 65 percent of gas production and 55 percent of oil production are hedged. At March 31, 1995, the Company's deferred gains related to its futures contracts totalled $0.4 million. Current year earnings are expected to decrease compared to 1994 due to the price risk associated with both unhedged production volumes and operating fees. The program has been extended into fiscal 1996 for the sale of 3.9 Bcf of gas production with an average contract price of $1.78 per Mcf.

Other revenues for the quarter and year to date were significantly lower than in the prior year primarily due to the absence of revenues from W & J Propane. Excluding the effect of propane revenues, other revenues would have decreased slightly in both periods as a result of lower merchandise sales.

As with natural gas revenues, decreased commodity cost coupled with decreased sales volumes associated with warmer weather created a majority of the 28 percent decrease in cost of gas in both periods.

For the quarter and year to date, consolidated operations and maintenance (O&M) expense was relatively constant as the impact of the sale of propane operations in the prior year was offset by increases at Alagasco and Taurus. Excluding the effect of propane operations, O&M expense would have increased 9 percent for the quarter primarily due to labor and related expenses at Alagasco. For the six month period O&M expense would have increased 6 percent due to labor and related expenses at Alagasco and increased exploration expense at Taurus.

Depreciation expense for the quarter and year to date increased 5 percent and 4 percent, respectively, as the effects of normal plant growth at Alagasco and an increased DD &A rate at Taurus were offset in part by the absence of depreciation on propane assets in the current year.

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. State and local business taxes generally are based on gross receipts of Alagasco and fluctuate accordingly.

A significant reduction in average short-term debt outstanding and the early repayment of certain long-term notes more than offset the effect of medium-term notes issued in December and January of the prior fiscal year; the resulting decrease in interest expense for both the quarter and year to date was 5 percent.

Other income did not vary significantly for the quarter; for the six-month period increased AFUDC and the inclusion of redemption fees in the prior year related to the Company's refinancing of a significant portion of its long-term debt created the increase.

The variance in income tax expense for the quarter and year to date was due largely to the timing of recognition of nonconventional fuel tax credits on an interim basis as pretax income did not vary significantly. Nonconventional fuel tax credits are available on production from qualifying wells through the year 2002; therefore, the Company anticipates effective tax rates to remain lower than statutory rates through that period as it expects to recognize all 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 year. As more fully discussed in Note 2, Alagasco is subject to regulation by the APSC, which is expected to consider renewal of the utility's rate-setting mechanism following the completion of its review of certain mandates under the Energy Policy Act of 1992. Changes, if any, to the utility's present rate-setting assumptions or provisions could have an impact on its net income.

Liquidity and Capital Resources

The item primarily responsible for the significant change in cash provided by operations was the prior year initial investment in underground storage working gas that represented a use of cash totaling $18 million at March 31, 1994. In the current year, while the total volumes maintained in storage have not materially changed, a 20 percent decrease in the average cost per Mcf of storage gas resulted in a $9.9 million source of cash at March 31, 1995. Fluctuations in receivables and payables are generally the result of timing of payments.

Net cash used in investing activities primarily was influenced by two factors. Capital expenditures exceeded those of the prior year due to Alagasco's acquisition of the 2,200-customer Alabaster gas system and Taurus's investment in proved properties of $6.0 million adding 9 Bcf of oil and gas reserves. Additionally, the inclusion in the prior year of proceeds related to the sale of equity securities served to reduce that quarter's cash used in investing activities.

The change in net cash provided by (used in) financing activities is attributable to several occurrences in the prior year. The issuance of 550,000 shares of Energen common stock in November 1993 generated $13.5 million, and Alagasco issued $49.6 million in medium-term notes in the prior year. These proceeds were used to fund the investment in underground working storage gas, redeem its 8.75 percent debentures, reduce short-term debt outstanding, and fund additional capital needs. During the current year, the Company has acquired 16,600 shares of common stock through its stock repurchase program.

Future Capital Expenditures and Liquidity: Capital and exploration expenditures could approximate $66 million in fiscal 1995, excluding municipal gas system acquisitions, and primarily represent additions for normal distribution system expansion, the development of a new customer information system at Alagasco, and oil and gas development activities. With respect to oil and gas activities, the Company is attempting to invest a significant portion of its capital expenditures in proven property acquisitions. However, the market for acquisitions has been limited and the economics of current pricing has delayed exploration opportunities; therefore, capital expenditures may not reach targeted levels. In addition, Alagasco will maintain an investment in storage working gas which is anticipated to average $19 million for the fiscal year. The Company anticipates funding these capital requirements through internally generated capital and the utilization of short-term credit facilities. Energen has short-term credit facilities totaling $110 million available for working capital needs, with no amounts outstanding at March 31, 1995 or 1994.

SELECTED BUSINESS SEGMENT DATA
Energen Corporation

(in thousands, except share data)	Three months ended March 31, 1995	1994	Six months ended March 31, 1995	1994
Natural Gas Distribution				
Operating revenues (in thousands)				
Residential	$ 92,102	$110,586	$136,452	$162,184
Commercial and industrial - small	31,887	39,523	47,432	58,635
Commercial and industrial - large	219	710	250	733
Transportation	9,267	8,248	16,833	16,056
Other	666	(799)	400	(347)
Total	$134,141	$158,268	$201,367	$237,261
Volumes sold and transported (thousands of Mcf)				
Residential	15,219	16,841	20,506	23,773
Commercial and industrial - small	5,871	6,429	8,338	9,502
Commercial and industrial - large	8	86	16	91
Transportation	15,796	13,747	30,086	26,915
Total	36,894	37,103	58,946	60,281
Other data				
Depreciation and amortization	$ 4,784	$ 4,441	$ 9,521	$ 8,868
Capital expenditures	$ 7,438	$ 8,678	$ 17,216	$ 14,014
Operating income	$ 29,066	$ 27,696	$ 33,584	$ 30,848
Oil and Gas Exploration and Production				
Operating revenues				
Natural gas	$ 3,564	$ 4,136	$ 7,512	$ 8,155
Oil	903	649	1,695	1,461
Other	1,844	1,385	3,035	2,755
Total	$ 6,311	$ 6,170	$ 12,242	$ 12,371
Sales volume - natural gas (thousands of Mcf)	2,028	2,126	4,209	4,117
Sales volume - oil (thousands of barrels)	59	50	109	104
Average sales price - natural gas (per Mcf)	$ 1.76	$ 1.95	$ 1.78	$ 1.98
Average sales price - oil (per barrel)	$ 15.31	$ 12.98	$ 15.55	$ 14.05
Other data				
Depreciation, depletion and amortization	$ 2,304	$ 2,090	$ 4,422	$ 4,045
Capital expenditures	$ 6,728	$ 315	$ 9,735	$ 2,148
Exploration expenditures	$ 187	$ 139	$ 616	$ 194
Operating income	$ 1,465	$ 1,913	$ 2,619	$ 4,011
Other Business				
Operating revenues	$ 2,142	$ 5,561	$ 4,558	$ 10,809
Depreciation and amortization	$ 106	$ 265	$ 217	594
Capital expenditures	$ 5	$ 51	$ 5	$ 197
Operating income	$ 43	$ 1,071	$ 247	$ 1,845
Eliminations and Corporate Expenses				
Operating loss	$ (272)	$ (310)	$ (712)	$ (621)

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

a. At the annual meeting of shareholders held on January 25, 1995, the Energen shareholders elected the following Director to serve for three year terms:

Director	Votes cast for	Votes withheld
Stephen D. Ban	8,801,899	354,361
George S. Shirley	8,796,850	356,410
Wm. Michael Warren, Jr.	8,729,939	426,321

b. The shareholders also approved a proposal to amend the Restated Certificate of Incorporation of the Company by the addition of a new Article XI restricting and limiting under certain circumstances the liability of directors of the Company to the Company and its shareholders.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a. Exhibits

27.1 Financial data schedule of Energen Corporation (for SEC purposes only)

27.2 Financial data schedule of Alabama Gas Corporation (for SEC purposes only)

b. Reports on Form 8-K

No reports on Form 8-K were filed for the three months ended March 31, 1995.

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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

May 15, 1995

By/s/ Wm. Michael Warren, Jr.
Wm. Michael Warren, Jr.
President and Chief Operating Officer

May 15, 1995

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

May 15, 1995

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

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<LEGEND> This schedule contains summary financial information extracted from the Form 10Q for March 31, 1995, and is qualified in its entirety by reference to such financial statements.
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<FN>
<F1>Earnings per share is calculated for Energen Corporation (parent company of Alagasco) and is not calculated for Alagasco separately as amount would not be meaningful.
</FN>