

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

OMB APPROVAL	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <b>KRAUSE ARTHUR B</b> _____ (Last) (First) (Middle) <b>TWO BRUSH CREEK BLVD.</b> <b>SUITE 200</b> _____ (Street) <b>KANSAS CITY</b> <b>64112</b> _____ (City) (State) (Zip)		2. Issuer Name and Ticker or Trading Symbol <b>INERGY L.P [ NRGY ]</b>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner _____ Officer (give title below) Other (specify below)
3. Date of Earliest Transaction (Month/Day/Year) <b>09/28/2006</b>		4. If Amendment, Date of Original Filed (Month/Day/Year)	
6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person			

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Units	09/28/2006		M		10,000	A	\$16.87	10,000	I	As Trustee of the Meljay C. Krause Trust <sup>(3)</sup>
Common Units								3,439 <sup>(2)</sup>	D	

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date						Title
Long Term Incentive Plan Options (Right to Buy)	\$16.87	09/28/2006		M			10,000	05/08/2006 <sup>(1)</sup>	05/07/2013	Common Units	10,000	\$0	30,000	D	

Explanation of Responses:

- The option vests in three installments as follows: 25% of the option vests on May 8, 2006; 25% of the option vests on May 8, 2007; and the remaining 50% of the option vests on May 8, 2008.
- Includes 939 restricted units granted under the Inergy, L.P. Long Term Incentive Plan, as amended. The restricted units vest at the rate of 33.33% on each anniversary of the grant date.
- Mr. Krause is the Trustee of the Meljay C. Krause Trust U/A 12/3/04.

Remarks:

On January 12, 2004, the Common, Senior Subordinated and Junior Subordinated Units of Inergy, L.P. underwent a two-for-one split.

Judy Riddle (attorney-in-fact) for Arthur B. Krause 10/02/2006

\*\* Signature of Reporting Person

Date

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

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

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

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.

POWER OF ATTORNEY  
(Reports on Forms 3, 4 and 5)

Know all by these presents, that the undersigned hereby constitutes and appoints Laura L. Ozenberger, Michael K. Post and/or Judy Riddle the undersigned's true and lawful attorneys-in-fact to

- (1) execute for and on behalf of the undersigned any and all reports on Forms 3, 4, and 5 that may be required from time to time with respect to the undersigned
- (2) do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such reports on Forms 3, 4, and 5
- (3) take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, in the best interests of the undersigned

The undersigned hereby grants to such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper in order to carry out the above and to execute the same. This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to file Forms 3, 4, and 5 with respect to the undersigned's obligations.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 9th day of February, 2006.

/s/ Arthur B. Krause