SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

August 11, 2008
Date of Report (Date of earliest event reported)

INERGY, L.P.

(Exact name of Registrant as specified in its charter)

Delaware	0-32453	43-1918951
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)

Two Brush Creek Boulevard, Suite 200
Kansas City, MO 64112
(Address of principal executive offices)

(816) 842-8181
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On August 11, 2008, Inergy, L.P. (the "Partnership") issued a press release, which reports the Partnership's third quarter results for fiscal year 2008. The press release is included herewith as Exhibit 99.1 and is incorporated herein by reference.

In accordance with General Instruction B.2 of Form 8-K, the information furnished pursuant to Items 2.02 and 7.01 shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing. The information furnished pursuant to Items 2.02 and 7.01 shall not be deemed an admission as to the materiality of any information in this report on Form 8-K that is required to be disclosed solely to satisfy the requirements of Regulation FD.

Item 3.02 Unregistered Sales of Equity Securities

Pursuant to the terms of the Member Interest Purchase Agreement dated August 11, 2008 by and between Inergy Midstream, LLC ("Inergy Midstream") and Demetree Salt, LLC ("Demetree Sale") (the "Purchase Agreement") the Partnership agreed to issue 809,389 common units to Demetree Salt at closing as partial consideration for Inergy Midstream's acquisition of all of the limited liability company interests of US Salt, LLC. The closing of the transaction is subject to customary closing conditions.

The Partnership claims an exemption from the registration requirements of the Securities Act of 1933, as amended, for the private placement of the above-referenced securities pursuant to Section 4(2) of the Act and/or Regulation D promulgated thereunder since, among other things, the transaction did not involve a public offering, Demetree Salt is an accredited investor, Demetree Salt had access to information about the Partnership and this investment, Demetree Salt will take the securities for investment and not resale, and the Partnership will take appropriate measures to restrict the transfer of the securities.

Item 7.01 Regulation FD Disclosure

See "Item 2.02. Results of Operations and Financial Condition" above.

Item 8.01 Other Events

On August 11, 2008, the Partnership issued a press release, which announced that Inergy Midstream has executed a definitive agreement to purchase 100% of the membership interests in US Salt, LLC. The press release is included herewith as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits.

Exhibit Number	Description
99.1	Earnings Press Release dated August 11, 2008
99.2	US Salt Press Release Dated August 11, 2008

Signatures

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

	INERGY, L.P.
	By: INERGY GP, LLC, Its Managing General Partner
Date: August 11, 2008	By: /s/ Laura L. Ozenberger Laura L. Ozenberger Sr. Vice President—General Counsel and Secretary

Exhibit 99.1

Inergy Reports Record Third Quarter Results; Adjusted EBITDA Up 64%
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Management Conference Call Scheduled for 10:00 a.m. CT Today

Kansas City, MO (August 11, 2008) – Inergy, L.P. (NASDAQ:NRGY) and Inergy Holdings, L.P. (NASDAQ:NRGP) today each reported results of operations for the quarter and nine-month period ended June 30, 2008.

<u>Inergy, L.P.</u>

Inergy, L.P. ("Inergy") reported Adjusted EBITDA of $22.0 million for the quarter ended June 30, 2008, an increase of $8.6 million, from $13.4 million for the quarter ended June 30, 2007. Net loss, excluding certain items as discussed below, was $(19.7) million for the quarter ended June 30, 2008, or $(0.58) per diluted limited partner unit compared to $(20.4) million, or $(0.56) per diluted limited partner unit in the same quarter of last year. Due to the seasonal nature of the propane industry, Inergy typically reports a quarterly loss in its third quarter.

For the nine-month period ended June 30, 2008, Adjusted EBITDA increased approximately 10% to $216.3 million from $197.4 million for the same prior-year period. Net income for the nine months ended June 30, 2008, excluding certain items as discussed below, increased to $98.1 million, or $1.43 per diluted limited partner unit, from $96.4 million, or $1.61 per diluted limited partner unit in 2007.

"Once again, our operational and financial performance builds on our long-term track record of delivering predictable and improving results. All of our business units are performing as expected, and we are on track to achieve our full year objectives," said John Sherman, President and CEO of Inergy. "The overall quality of our business mix and the expansion projects we are completing position us to deliver the growth in cash earnings which our unitholders have come to expect."

Inergy affirms its previously announced Adjusted EBITDA guidance to approximate $240 million for the full fiscal year ending September 30, 2008.

As previously announced, the Board of Directors of Inergy's managing general partner increased Inergy's quarterly cash distribution to $0.625 per limited partner unit ($2.50 annually) for the quarter ended June 30, 2008. This represents an approximate 7% increase over the distribution for the same quarter of the prior year. The distribution will be paid on August 14, 2008, to unitholders of record as of August 7, 2008.

Also as previously announced, Inergy acquired the membership interests of Farm & Home Oil Company LLC during the quarter ended June 30, 2008. This transaction is expected to be immediately accretive on a distributable cash flow per unit basis.

Quarterly Results

In the quarter ended June 30, 2008, retail propane gallon sales were 46.7 million gallons compared to 50.0 million gallons sold in the same quarter of the prior year. This decrease was due primarily to customer conservation, which we believe was due principally to an approximate 50% increase in the average Mt. Belvieu propane cost in the current quarter versus the prior-year period.

Retail propane gross profit was $43.5 million for the quarter ended June 30, 2008, compared to $43.8 million for the quarter ended June 30, 2007. Gross profit from other propane operations, including wholesale, appliances, service, transportation, distillates, and other was $21.8

million in the quarter ended June 30, 2008, compared to $17.7 million for the same quarter in the prior year. Gross profit from midstream operations increased 67% to $23.4 million in the quarter ended June 30, 2008, compared to $14.0 million in the prior year.

For the quarter ended June 30, 2008, operating and administrative expenses were $67.1 million compared to $62.0 million in the same quarter in the prior year.

Net loss of $(19.7) million, or $(0.58) per diluted limited partner unit, for the quarter ended June 30, 2008, excludes the recognition of $(0.6) million non-cash charges on derivative contracts associated with certain fixed price contracts and a loss of $(0.4) million on the disposal of excess property, plant, and equipment. Net loss of $(20.4) million for the quarter ended June 30, 2007, excludes the recognition of $0.5 million of non-cash gains on derivative contracts associated with certain fixed price contracts and a loss of $(0.7) million on the disposal of excess property, plant, and equipment. In addition to these items, the net loss per unit allocable to each limited partner unit of $(0.56) for the quarter ended June 30, 2007, excludes the one-time, non-cash beneficial conversion allocation of income of $10.3 million related to the April 2007 conversion of the Special Units into common units. The Special Unit conversion was the result of the commencement of the commercial operations of Phase II of the Stagecoach Natural Gas Storage Facility.

Year-to-Date Results

For the nine-month period ended June 30, 2008, there were 289.7 million retail propane gallons sold compared to 313.7 million gallons sold during the same period in the prior year. Weather in the nine-month period ended June 30, 2008, was approximately 6% warmer than normal, and relatively consistent with the prior-year period. The decrease was due primarily to customer conservation, which we believe was due principally to an approximate 53% increase in the average Mt. Belvieu propane cost in the current nine-month period versus the prior year period.

Retail propane gross profit was $273.0 million for the nine months ended June 30, 2008, as compared to $276.8 million in the nine months ended June 30, 2007. Gross profit from other propane operations, including wholesale, appliances, service, transportation, distillates, and other was $75.0 million in the nine months ended June 30, 2008, as compared to $69.1 million in the prior year. Gross profit from midstream operations for the nine months ended June 30, 2008, increased 59% to $66.5 million as compared to $41.9 million in the prior year.

Operating and administrative expenses for the nine months ended June 30, 2008, were $198.6 million as compared to $191.8 million in the same period of fiscal 2007.

Net income of $98.1 million, or $1.43 per diluted limited partner unit, for the nine months ended June 30, 2008, excludes the recognition of $(0.7) million non-cash charges on derivative contracts associated with certain fixed price contracts and a gain of $0.8 million on the disposal of excess property, plant, and equipment. Net income of $96.4 million for the nine months ended June 30, 2007, excludes the recognition of $0.5 million of non-cash gains on derivative contracts associated with certain fixed price contracts and a loss of $(1.6) million on the disposal of excess property, plant, and equipment. In addition to these items, the net income per unit allocable to each limited partner unit of $1.61 for the nine months ended June 30, 2007, excludes the one-time, non-cash beneficial conversion allocation of income of $10.3 million discussed above.

Inergy Holdings, L.P.

As discussed above, the $0.625 per limited partner unit distribution by Inergy, L.P. results in Inergy Holdings, L.P. receiving a total distribution of $13.0 million with respect to the third fiscal quarter of 2008. As a result of this Inergy, L.P. distribution, Inergy Holdings, L.P. declared a quarterly distribution of $0.61 per limited partner unit or $2.44 on an annualized basis. This represents an approximate 20% increase over the $0.51 per limited partner unit paid for the same quarter of the prior year. The distribution will be paid on August 14, 2008, to unitholders of record as of August 7, 2008.

Inergy, L.P. and Inergy Holdings, L.P. will conduct a live conference call and internet webcast today, August 11, 2008, to discuss results of operations for the third quarter and its business outlook. The call will begin at 10:00 a.m. CT. The call-in number for the earnings call is 1-877-405-3427, and the conference name is Inergy. The live internet webcast and the replay can be accessed on Inergy's website, www.inergypropane.com. A digital recording of the call will be available for one week following the call by dialing 1-800-642-1687 and entering the pass code 57501722.

Inergy, L.P., with headquarters in Kansas City, MO, is among the fastest growing master limited partnerships in the country. The Company's operations include the retail marketing, sale, and distribution of propane to residential, commercial, industrial, and agricultural customers. Today, Inergy serves approximately 700,000 retail customers from over 300 customer service centers throughout the eastern half of the United States. The Company also operates a natural gas storage business and a supply logistics, transportation, and wholesale marketing business that serves independent dealers and multi-state marketers in the United States and Canada.

Inergy Holdings, L.P.'s assets consist of its ownership interest in Inergy, L.P., including limited partnership interests, ownership of the general partners, and the incentive distribution rights.

This press release contains forward-looking statements, which are statements that are not historical in nature such as our guidance. Forward-looking statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or any underlying assumption proves incorrect, actual results may vary materially from those anticipated, estimated, or projected. Among the key factors that could cause actual results to differ materially from those referred to in the forward-looking statements are: weather conditions that vary significantly from historically normal conditions; the general level of petroleum product demand and the availability of propane supplies; the price of propane to the consumer compared to the price of alternative and competing fuels; the demand for high deliverability natural gas storage capacity in the Northeast; our ability to successfully implement our business plan; the outcome of rate decisions levied by the Federal Energy Regulatory Commission; our ability to generate available cash for distribution to unitholders; and the costs and effects of legal, regulatory, and administrative proceedings against us or which may be brought against us. These and other risks and assumptions are described in Inergy's annual reports on Form 10-K and other reports that are available from the United States Securities and Exchange Commission.

<TABLE FOLLOWS>

Inergy, L.P. and Subsidiaries
Consolidated Statements of Operations
For the Three Months and Nine Months Ended June 30, 2008 and 2007
(in millions, except per unit data)

	(Unaudited) Three Months Ended June 30, 2008	(Unaudited) Three Months Ended June 30, 2007	(Unaudited) Nine Months Ended June 30, 2008	(Unaudited) Nine Months Ended June 30, 2007
Revenues:				
Propane	$ 220.9	$ 168.3	$1,149.6	$ 956.2
Other	154.3	79.4	388.4	253.4
	375.2	247.7	1,538.0	1,209.6
Cost of product sold (excluding depreciation and amortization as shown below):				
Propane	173.1	122.7	862.0	666.7
Other	113.4	49.5	261.5	155.1
	286.5	172.2	1,123.5	821.8
Gross profit	88.7	75.5	414.5	387.8
Expenses:				
Operating and administrative	67.1	62.0	198.6	191.8
Depreciation and amortization	26.1	21.4	72.1	60.9
Gain (loss) on disposal of assets	(0.4)	(0.7)	0.8	(1.6)
Operating income (loss)	(4.9)	(8.6)	144.6	133.5
Other income (expense):				
Interest expense, net	(15.2)	(12.0)	(45.0)	(39.1)
Other income	—	0.2	0.1	1.4
Income (loss) before income taxes and interest of non-controlling partners in ASC	(20.1)	(20.4)	99.7	95.8
Provision for income taxes	(0.2)	(0.2)	(0.6)	(0.5)
Interest of non-controlling partners in ASC's consolidated net income [(a)]	(0.4)	—	(0.9)	—
Net income (loss)	$ (20.7)	$ (20.6)	$ 98.2	$ 95.3
Partners' interest information:				
Non-managing general partner and affiliates interest in net income	$ 8.9	$ 6.9	$ 26.9	$ 20.0
Distributions paid on restricted units	0.1	0.1	0.2	0.1
Beneficial conversion value of Special Units	—	10.3	—	10.3
Total interest in net income not attributable to limited partners'	$ 9.0	$ 17.3	$ 27.1	$ 30.4
Total limited partners' interest in net income (loss)	$ (29.7)	$ (37.9)	$ 71.1	$ 64.9
Net income (loss) per limited partner unit:				
Basic	$ (0.60)	$ (0.77)	$ 1.43	$ 1.38
Diluted	$ (0.60)	$ (0.77)	$ 1.43	$ 1.37
Weighted average limited partners' units outstanding *(in thousands)*:				
Basic	49,711	49,356	49,687	47,041
Diluted	49,711	49,356	49,772	47,231

(a) We acquired a majority interest in the operations of Steuben when we acquired 100% of the membership interest in ASC. ASC holds a majority interest in the operations of Steuben.

	(Unaudited) Three Months Ended June 30, 2008	(Unaudited) Three Months Ended June 30, 2007	(Unaudited) Nine Months Ended June 30, 2008	(Unaudited) Nine Months Ended June 30, 2007
Supplemental Information:				
Retail gallons sold	46.7	50.0	289.7	313.7
Cash			$ 10.7	$ 6.8
Outstanding debt:				
Working Capital Facility			$ 16.0	$ 1.3
Acquisition Facility			51.0	—
Senior unsecured notes			825.5	619.3
Bond premium (e)			3.9	—
ASC credit agreement			10.9	—
Other debt			16.2	15.7
Total debt			$ 923.5	$ 636.3
Total partners' capital			$ 732.7	$ 799.3
EBITDA:				
Net income (loss)	$ (20.7)	$ (20.6)	$ 98.2	$ 95.3
Interest of non-controlling partners in ASC's consolidated ITDA (f)	(0.2)	—	(0.7)	—
Interest expense, net	15.2	12.0	45.0	39.1
Provision for income taxes	0.2	0.2	0.6	0.5
Depreciation and amortization	26.1	21.4	72.1	60.9
EBITDA (a)	$ 20.6	$ 13.0	$ 215.2	$ 195.8
Non-cash (gain) loss on derivative contracts	0.6	(0.5)	0.7	(0.5)
(Gain) loss on disposal of assets	0.4	0.7	(0.8)	1.6
Non-cash compensation expense	0.4	0.2	1.2	0.5
Adjusted EBITDA (a)	$ 22.0	$ 13.4	$ 216.3	$ 197.4
Distributable cash flow:				
Adjusted EBITDA (a)	$ 22.0	$ 13.4	$ 216.3	$ 197.4
Cash interest expense (b)	(14.5)	(11.5)	(43.2)	(37.4)
Maintenance capital expenditures (c)	(1.1)	(1.4)	(3.6)	(2.9)
Income tax expense	(0.2)	(0.2)	(0.6)	(0.5)
Distributable cash flow (d)	$ 6.2	$ 0.3	$ 168.9	$ 156.6

(a) EBITDA is defined as income (loss) before taxes, plus net interest expense and depreciation and amortization expense. Adjusted EBITDA represents EBITDA excluding (1) non-cash gains or losses on derivative contracts associated with certain fixed price contracts (2) long-term incentive and equity compensation expense and (3) gains or losses on disposal of property, plant and equipment. EBITDA and Adjusted EBITDA should not be considered an alternative to net income, income before income taxes, cash flows from operating activities, or any other measure of financial performance calculated in accordance with generally accepted accounting principles as those items are used to measure operating performance, liquidity or ability to service debt obligations. EBITDA and Adjusted EBITDA are presented because such information is relevant and is used by management, industry analysts, investors, lenders and rating agencies to assess the financial performance and operating results of our fundamental business activities. We believe that the presentation of EBITDA and Adjusted EBITDA is useful to lenders and investors because of their use in the propane industry and for master limited partnerships as an indicator of the strength and performance of the ongoing business operations, including the ability to fund capital expenditures, service debt and pay distributions. Additionally, we believe that EBITDA and Adjusted EBITDA provide useful information to our investors for trending, analyzing and benchmarking our operating results as compared to other companies that may have different financing and capital structures. The presentation of EBITDA and Adjusted EBITDA allow investors to view our performance in a manner similar to the methods used by management and provide additional insight to our operating results.

(b) Cash interest expense is net of amortization charges associated with deferred financing costs.

(c) Maintenance capital expenditures are defined as those capital expenditures which do not increase operating capacity or revenues from existing levels.

(d) Distributable cash flow is defined as Adjusted EBITDA, less cash interest expense, maintenance capital expenditures and income taxes. We believe that distributable cash flow provides additional information for evaluating Inergy's ability to declare and pay distributions to unitholders. Distributable cash flow should not be considered an alternative to cash flow from operating activities or any other measure of financial performance in accordance with accounting principles generally accepted in the United States. Distributable cash flow, as we define it, may not be comparable to distributable cash flow or similarly titled measures used by other corporations and partnerships.

(e) In April 2008, the Company announced the placement of a $200 million add-on to its existing 8.25% senior unsecured notes under Rule 144A to eligible purchasers. The proceeds from the bond issuance were $204 million, representing a premium of $4 million on the bond issuance. The $4 million premium will be amortized on a non-cash basis over the term of the senior notes.

(f) ITDA – Interest, taxes, depreciation and amortization.

Inergy Holdings, L.P. and Subsidiaries
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	(Unaudited) Three Months Ended June 30,		(Unaudited) Nine Months Ended June 30,	
	2008	2007	2008	2007
Revenues:				
Propane	$ 220.9	$ 168.3	$1,149.6	$ 956.2
Other	154.3	79.4	388.4	253.4
	375.2	247.7	1,538.0	1,209.6
Cost of product sold (excluding depreciation and amortization as shown below):				
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Other	113.4	49.5	261.5	155.1
	286.5	172.2	1,123.5	821.8
Gross profit	88.7	75.5	414.5	387.8
Expenses:				
Operating and administrative	67.4	62.2	199.4	192.4
Depreciation and amortization	26.1	21.4	72.1	60.9
Gain (loss) on disposal of assets	(0.4)	(0.7)	0.8	(1.6)
Operating income (loss)	(5.2)	(8.8)	143.8	132.9
Other income (expense):				
Interest expense, net	(15.5)	(12.6)	(46.3)	(40.9)
Other income	—	0.2	0.1	1.4
Income (loss) before gain on issuance of units in Inergy, L.P., income taxes and interest of non-controlling partners in Inergy, L.P. and ASC	(20.7)	(21.2)	97.6	93.4
Gain on issuance of units in Inergy, L.P.	—	80.6	—	80.6
Provision for income taxes	(0.1)	(5.5)	(1.3)	(6.5)
Interest of non-controlling partners in Inergy, L.P.'s net (income) loss	26.8	25.5	(64.6)	(68.8)
Interest of non-controlling partners in ASC's consolidated net income	(0.4)	—	(0.9)	—
Net income	$ 5.6	$ 79.4	$ 30.8	$ 98.7
Partners' interest information:				
Less distribution paid on restricted units	$ 0.1	$ —	$ 0.3	$ —
Net income available to limited partners' units	$ 5.5	$ 79.4	$ 30.5	$ 98.7
Net income per limited partner unit:				
Basic	$ 0.27	$ 3.97	$ 1.52	$ 4.94
Diluted	$ 0.27	$ 3.91	$ 1.50	$ 4.88
Weighted average limited partners' units outstanding *(in thousands)*:				
Basic	20,008	20,004	20,008	20,002
Diluted	20,212	20,307	20,248	20,244

Inergy Acquires Salt Production Company Located in Upstate New York

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Secures Long-Term Inventory of Gas Storage Development Capacity in the Northeast

Kansas City, MO (August 11, 2008) – Inergy, L.P. (NASDAQ:NRGY) announced today that its wholly owned subsidiary, Inergy Midstream, LLC, has executed a definitive agreement to purchase 100% of the membership interests in US Salt, LLC ("US Salt"), an industry-leading solution mining and salt production company located in Schuyler County, New York, between Inergy's Stagecoach and Steuben County natural gas storage facilities. The transaction is expected to close within the month, subject to customary closing conditions; and it is expected to be immediately accretive to unitholders on a distributable cash flow per unit basis.

US Salt is one of five major solution mined salt manufacturers in the United States, producing and selling in excess of 300,000 tons of salt each year. The US Salt operations are complementary and in close proximity to Inergy's existing midstream energy storage platform. The solution mining process used by US Salt creates salt caverns that can be developed into usable natural gas storage capacity. Inergy initially estimates that the acquisition provides access to at least 10 Bcf of additional salt cavern storage capacity which can be interconnected to its existing energy storage platform.

Inergy expects to immediately begin developing approximately 5 Bcf of available salt cavern capacity, after receiving necessary regulatory approvals. The initial 5 Bcf of storage capacity is expected to be operational in the fall of 2010.

"The acquisition of US Salt accomplishes a lot for our investors on several fronts," said John Sherman, President and CEO of Inergy. "First, the salt business is characterized by stable cash flows and long-term growth potential; and it meets all of our strict acquisition criteria. This transaction also provides us with a long-term pipeline of high-return storage development projects in the heart of the Northeast natural gas distribution infrastructure. In addition, this transaction is yet another example of the successful execution on our plan to build an integrated natural gas storage and transportation hub in the Northeast."

Salt Operations

US Salt produces food grade salt products, bulk salt for chemical feedstock, and is a market leader in the manufacture of pharmaceutical grade salt. The salt refining capacity is 70% contracted under term agreements. In addition to the salt production operations, Inergy also acquires usable salt cavern capacity for the storage of natural gas, LPGs or other refined products which is the natural by-product of the salt solution mining process.

"One of the major hurdles with the development of salt cavern storage in the Northeast is brine disposal. This acquisition provides us a continuous means of brine disposal with limitless expansion possibilities to our overall energy storage platform in the Northeast," said Bill Moler, Senior Vice President of Inergy Midstream. "The acquisition provides us with approximately 10 Bcf of existing cavern space, and every new brine well that we drill creates additional storage capacity."

Storage Expansion

Inergy has performed pressure tests on a significant sample of the existing salt caverns to confirm the capability for energy storage development. Inergy believes that it will have approximately 5.0 Bcf of initial storage capacity available for development after receiving necessary regulatory approvals. Development of the balance of the existing cavern capacity into storage services will be subject to market demand and further due diligence. The caverns are within close proximity to the Empire Connector Pipeline, NYSEG's intrastate pipeline network, the Millennium Pipeline, Inergy's previously discussed Thomas Corners project, and Teppco's LPG pipeline and storage system. Inergy expects to immediately market these facilities in an open season and continue to pursue its strategy of creating an integrated Northeast gas storage hub.

US Salt's New York employee base and its sales and marketing personnel will remain intact. Existing customers of US Salt should expect the same outstanding service and product quality they currently enjoy. The management team of US Salt will continue to lead the company from the combined Kansas City offices of Inergy and US Salt.

Upon completion of the acquisition of US Salt and Inergy's subsequent capital investment for the development of the initial 5.0 Bcf of gas storage, Inergy expects the total invested capital to be approximately $191 million. Inergy expects to generate earnings before interest, taxes, depreciation, and amortization (EBITDA) from the combined salt production and gas storage operations of approximately $28.5 million on a run rate basis by the end of fiscal year 2010. Inergy will fund the initial acquisition of US Salt with a combination of borrowings from its revolving credit facility and Inergy, L.P. common units issued directly to the seller.

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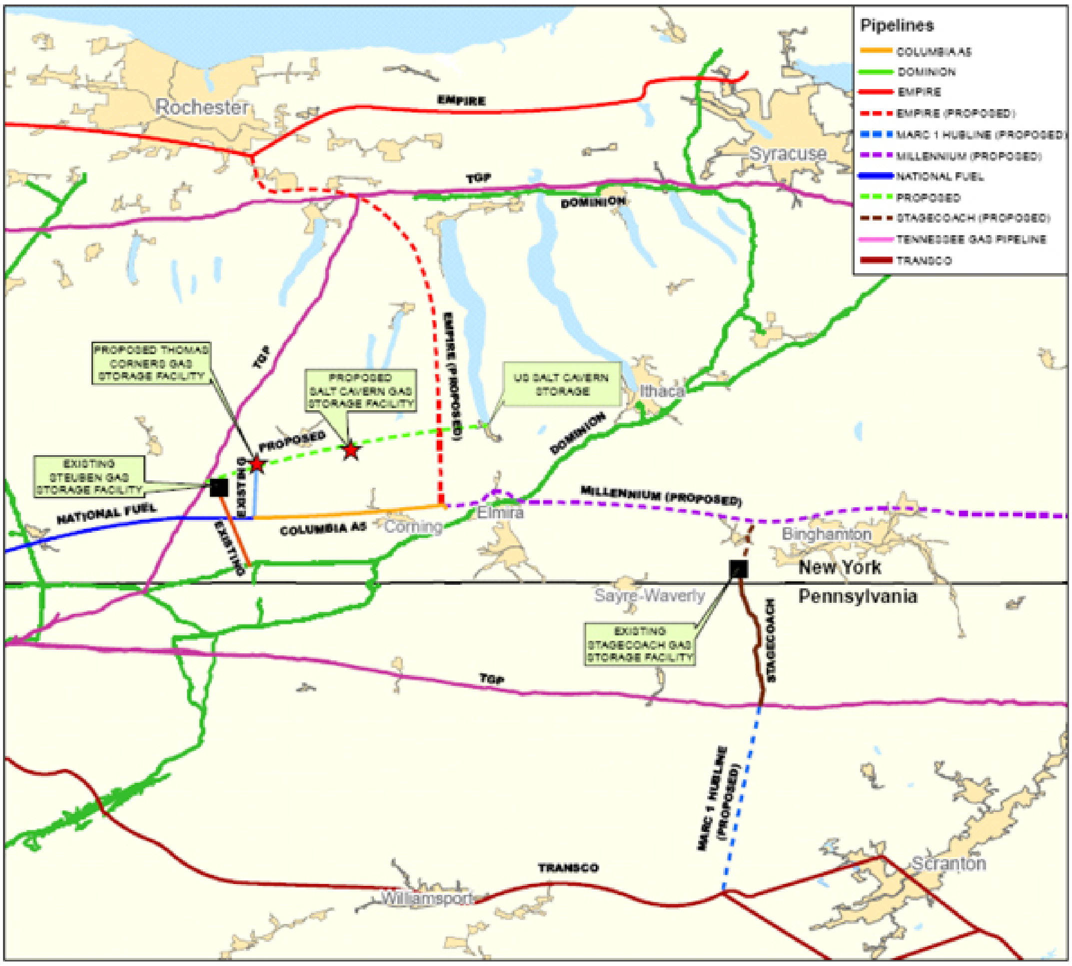
Integrated Northeast Gas Storage and Transportation Hub



About Inergy Midstream, LLC

Inergy Midstream is a wholly-owned subsidiary of Inergy L.P. and is headquartered in Kansas City, Missouri. The Company owns and operates Central New York Oil And Gas Company, LLC’s Stagecoach natural gas storage facility with 26.35 Bcf of working gas capacity; the Bath LPG Storage facility, a 1.5 million barrel underground salt cavern liquid petroleum gas storage facility; and Arlington Storage Company which includes Thomas Corners, a planned 7 Bcf natural gas storage facility currently being developed and a controlling interest in Steuben Gas Storage Company, a 6.2 Bcf natural gas storage facility.

About Inergy, L.P. and Inergy Holdings, L.P.

Inergy, L.P., with headquarters in Kansas City, Mo., is among the fastest growing master limited partnerships in the country. The Company’s operations include the retail marketing, sale, and distribution of propane to residential, commercial, industrial, and agricultural customers.

Today, Inergy serves approximately 700,000 retail customers from over 300 customer service centers throughout the eastern half of the United States. The Company also operates a natural gas storage business and a supply logistics, transportation, and wholesale marketing business that serves independent dealers and multi-state marketers in the United States and Canada.

Inergy Holdings, L.P.'s assets consist of its ownership interest in Inergy, L.P., including limited partnership interests, ownership of the general partners, and the incentive distribution rights.

This press release contains forward-looking statements, which are statements that are not historical in nature such as the expectation that the acquisition of US Salt will yield additional natural gas storage capacity; the in-service dates and the investment economics, including EBITDA projections, can be achieved; and the acquisition will close within the month and will be immediately accretive on a distributable cash flow per unit basis. Forward-looking statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or any underlying assumption proves incorrect, actual results may vary materially from those anticipated, estimated, or projected. Among the key factors that could cause actual results to differ materially from those referred to in the forward-looking statements are: weather conditions that vary significantly from historically normal conditions; the general level of petroleum product demand and the availability of propane supplies; the price of propane to the consumer compared to the price of alternative and competing fuels; the demand for high deliverability natural gas storage capacity in the Northeast; our ability to successfully develop sub-surface storage caverns and implement our business expansion plans; the outcome of rate decisions levied by the Federal Energy Regulatory Commission; our ability to generate available cash for distribution to unitholders; the costs and effects of legal, regulatory, and administrative proceedings against us or which may be brought against us; and our ability to sustain our historical levels of internal growth. These and other risks and assumptions are described in Inergy's annual report on Form 10-K and other reports that are available from the United States Securities and Exchange Commission.

Corporate news, unit prices, and additional information about Inergy, including reports from the United States Securities and Exchange Commission, are available on the Company's website, www.inergypropane.com. For more information, contact Mike Campbell in Inergy's Investor Relations Department at 816-842-8181 or via e-mail at investorrelations@inergyservices.com.

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