SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

DECEMBER 19, 2001
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)

1101 WALNUT, SUITE 1500
Kansas City, MO 64106
(Address of principal executive offices)

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

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

On December 19, 2001, Inergy, L.P., through an affiliate as further described below, acquired the assets of Independent Propane Company Holdings ("IPC"). The purchase price approximated $96.7 million, including approximately $7.5 million of working capital.

IPC Overview

IPC's principal business is the retail sale of propane, propane appliances and merchandise, parts and labor throughout its branch network in Texas, Oklahoma, Arkansas, Tennessee, South Carolina, Georgia, and Florida. During the twelve months ended September 30, 2001, IPC sold approximately 49.8 million retail gallons of propane to approximately 116,000 customers through its 44 branches and 24 satellite locations.

IPC is predominantly a distributor to the residential markets with 74% of the volume sold to individual homeowners, 20% to commercial accounts and 6% agricultural customers. Approximately 70% of the volumes are sold in Texas, primarily through its locations in the Houston, Dallas and Austin regions. IPC owns approximately 46% of the tanks it services.

IPC was founded through the merger of Beck & Root Fuel Company and Independent Gas Company Holdings in 1994. Since January 1, 1995 and through September 30, 2001, IPC acquired 66 companies through stock and asset purchase transactions. IPC has 376 employees and is headquartered in Irving, Texas.

Transactions Related to the IPC Acquisition

In connection with the IPC acquisition, Inergy, L.P. and several of its affiliates entered into various transactions. IPCH Acquisition Corp., an affiliate of Inergy L.P.'s managing general partner that ultimately became the sole stockholder of IPC, borrowed approximately $27,000,000 from financial institution lenders. A portion of these loan proceeds were applied to acquire 365,019 common units from Inergy, L.P. The aggregate purchase price paid for these common units was approximately $9,600,000. IPCH Acquisition Corp utilized these common units to provide a portion of the merger consideration distributed to certain former stockholders of IPC's parent corporation. The balance of the loan proceeds -- amounting to $17,400,000 -- were paid as additional purchase price consideration.

Immediately following the IPC acquisition, IPCH Acquisition Corp. sold, assigned and transferred to our operating company the operating assets of IPC and certain rights under the IPC acquisition agreement and related escrow agreement. In consideration for the above sale, assignment and transfer, Inergy, L.P. issued to IPCH Acquisition Corp. 394,601 common units, paid $82.2 million in cash (including $9.6 million of cash received from the sale of 365,019 common units to IPCH Acquisition Corp.) and our operating company assumed $2.5 million of notes payable. Inergy, L.P. agreed that if it proposes to register any of its common units under applicable securities laws, IPCH Acquisition Corp. will have the right to include in such registration the 394,601 common units acquired by it, subject to various conditions and limitations specified in a Registration Rights Agreement entered into by IPCH Acquisition Corp. and Inergy, L.P. The common units were issued in reliance upon the exemption from registration afforded by Rule 506 of Regulation D. In addition, Inergy, L.P. issued 18,252 common units to certain members of IPC management, who remain as employees of Inergy, L.P., for approximately $0.5 million in cash at the time of the acquisition.

Our operating company agreed that IPCH Acquisition Corp. may obtain loans from financial institution lenders during the five year period following the date of the Independent Propane acquisition for certain specified purposes. If IPCH Acquisition Corp. obtains any such loans, our operating company agreed to reimburse IPCH Acquisition Corp. for all out-of-pocket costs and expenses incurred to obtain $5,000,000 of such borrowings, excluding interest.

IPCH Acquisition Corp. has the right to appoint two directors to the board of directors of our managing general partner for a period of three years immediately following the date of the IPC acquisition.

IPCH Acquisition Corp. agreed to guarantee the payment when due of the obligations of our operating company with respect to the loan of up to $35,000,000.

An independent committee of the Board of Directors reviewed the transactions described above on behalf of the unitholders who are not affiliated with our managing general partner.

Inergy Partners, LLC contributed $203,857 in cash to Inergy, L.P. in conjunction with the IPC acquisition in order to maintain its 2% non-managing general partner interest.

Inergy, L.P. agreed that on or before August 1, 2002, it would use its best efforts to file a shelf registration statement under federal securities laws and to register approximately 349,914 common units issued to former IPC shareholders, including J.P. Morgan Partners (SBIC) LLC, subject to various conditions and limitations specified in a Registration Rights Agreement entered into by Inergy, L.P. and the former IPC shareholders. In addition, Inergy, L.P. also agreed that if it proposes to register any of its common units under applicable securities laws, these former IPC shareholders will have the right to include their common units in such registration, subject to various conditions and limitations specified in the Registration Rights Agreement.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(A) FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

The consolidated financial statements of Independent Propane Company Holdings and Subsidiaries as of September 30, 2001 and 2000, and for each of the three years in the period ended September 30, 2001, together with the report of Arthur Andersen, LLP (Dallas, Texas) with respect thereto are filed as Exhibit 99.2 to this Current Report.

(B) PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma condensed combined statements of income of Inergy, L.P. and Independent Propane Company Holdings and Subsidiaries for the year ended September 30, 2001 and the three months ended December 31, 2001 are filed as Exhibit 99.3 to this Current Report. Inergy, L.P. previously filed its Form 10-Q for the three months ended December 31, 2001 which balance sheet included therein included the acquisition of Independent Propane Company Holdings and Subsidiaries. A pro forma balance sheet, therefore, is not included as an exhibit to this Current Report.

(C) EXHIBITS.

2.1 Agreement and Plan of Merger, dated as of December 19, 2001 by and among Inergy Holdings, LLC, IPCH Acquisition Corp., IPCH Merger Corp., Inergy, L.P, Independent Propane Company Holdings, certain holders of Series E Preferred Stock of Independent Propane Company Holdings and joined in by David L. Scott ("Scott"), Robert R. Galvin ("Galvin") and Inergy Propane, LLC. (incorporated herein by reference to Exhibit 2.1 of the initial filing of this Current Report on January 4, 2002).

2.2 Transaction Agreement dated as of December 19, 2001, by and among Inergy, L. P., Inergy GP, LLC, Inergy Propane, LLC, Inergy Sales and Service, Inc., Inergy Holdings, LLC, IPCH Acquisition Corp., and IPCH Merger Corp. (incorporated herein by reference to Exhibit 2.2 of the initial filing of this Current Report on January 4, 2002).

4.1 Registration Rights Agreement entered into as of the 19th day of December, 2001, by and among Inergy, L.P. and certain investors (incorporated herein by reference to Exhibit 4.1 of the initial filing of this Current Report on January 4, 2002).

4.2 Registration Rights Agreement entered into as of the 19th day of December, 2001, by and between Inergy, L.P. and IPCH Acquisition Corp. (incorporated herein by reference to Exhibit 4.2 of the initial filing of this Current Report on January 4, 2002).

99.1 Press Release dated December 19, 2001 (incorporated herein by reference to Exhibit 99.1 of the initial filing of this Current Report on January 4, 2002).

99.2 Independent Propane Company Holdings and Subsidiaries consolidated balance sheets as of September 30, 2001 and 2000 and the related consolidated statements of operations, changes in shareholders' deficit, and cash flows for each of the three years in the period ended September 30, 2001, together with the report of Arthur Andersen, LLP (Dallas, Texas) with respect thereto.

99.3 Pro forma condensed combined financial statements of income of Inergy, L.P. and Independent Propane Company Holdings and Subsidiaries for the fiscal year ended September 30, 2001 and the three months ended December 31, 2001.

99.4 Consent of Arthur Andersen LLP

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.

Date: March 1, 2002

By: /s/R. Brooks Sherman

Name: R. Brooks Sherman
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.2	Independent Propane Company Holdings and Subsidiaries consolidated balance sheets as of September 30, 2001 and 2000 and the related consolidated statements of operations, changes in shareholders' deficit, and cash flows for each of the three years in the period ended September 30, 2001, together with the report of Arthur Andersen, LLP (Dallas, Texas) with respect thereto.
99.3	Pro forma condensed combined financial statements of income of Inergy, L.P. and Independent Propane Company Holdings and Subsidiaries for the fiscal year ended September 30, 2001 and the three months ended December 31, 2001.
99.4	Consent of Arthur Andersen LLP

EXHIBIT 99.2

INDEPENDENT PROPANE COMPANY HOLDINGS
AND SUBSIDIARIES

Consolidated Financial Statements
As of September 30, 2001 and 2000

Together with Report of Independent Public Accountants

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors of
Independent Propane Company Holdings:

We have audited the accompanying consolidated balance sheets of Independent Propane Company Holdings (a Delaware corporation) and subsidiaries (the "Company") as of September 30, 2001 and 2000, and the related consolidated statements of operations, changes in shareholders' deficit, and cash flows for each of the three years in the period ended September 30, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Independent Propane Company Holdings and subsidiaries as of September 30, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2001, in conformity with accounting principles generally accepted in the United States.

/s/ Arthur Andersen LLP

Dallas, Texas,
November 16, 2001

INDEPENDENT PROPANE COMPANY HOLDINGS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2001 AND 2000

ASSETS	2001	2000
CURRENT ASSETS:		
Cash	$ 1,003,667	$ 809,997
Accounts receivable, net of allowance for doubtful accounts of approximately $867,000 and $707,000, respectively	5,772,793	5,831,190
Inventories, net	3,324,495	3,601,690
Other current assets	586,764	396,306
Total current assets	10,687,719	10,639,183
PROPERTY, PLANT, AND EQUIPMENT:		
Land	1,515,322	1,663,412
Buildings	2,747,273	2,666,662
Office furniture and equipment	3,169,399	3,276,085
Shop equipment	1,232,236	950,540
Tanks	38,166,897	37,083,629
Vehicles	10,028,647	9,122,812
	56,859,774	54,763,140
Less- Accumulated depreciation	(18,201,121)	(14,158,003)
Net property, plant, and equipment	38,658,653	40,605,137
GOODWILL, net of accumulated amortization of $6,840,356 and $5,175,632, respectively	19,216,266	20,702,730
NONCOMPETITION AGREEMENTS, net of accumulated amortization of $2,696,431 and $1,993,740, respectively	1,341,582	2,031,873
DEBT ISSUANCE COSTS, net of accumulated amortization of $1,730,298 and $1,373,892	683,464	1,039,870
OTHER NONCURRENT ASSETS, net	490,517	389,017
Total assets	$ 71,078,201	$ 75,407,810

The accompanying notes are an integral part of these consolidated balance sheets.

INDEPENDENT PROPANE COMPANY HOLDINGS AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2001 AND 2000
(CONTINUED)

LIABILITIES AND SHAREHOLDERS' DEFICIT	2001	2000
CURRENT LIABILITIES:		
Accounts payable	$ 4,879,937	$ 5,322,396
Accrued liabilities	1,466,905	1,399,882
Short-term notes payable	-	466,000
Current maturities of long-term debt	6,408,576	4,721,242
Total current liabilities	12,755,418	11,909,520
CUSTOMER DEPOSITS	174,823	241,495
DEFERRED TAXES, net	100,000	100,000
DIVIDENDS PAYABLE ON SERIES E SENIOR REDEEMABLE PREFERRED STOCK	15,143,381	9,466,691
LONG-TERM DEBT, net of current maturities	48,557,593	56,687,136
SERIES E SENIOR REDEEMABLE PREFERRED STOCK, 35,000 shares authorized, 29,000 issued and outstanding, $1,000 redemption and carrying value	29,000,000	29,000,000
COMMITMENTS AND CONTINGENCIES (Notes 9 and 12)		
SHAREHOLDERS' DEFICIT:		
Common stock - par value $.01 per share, 168,113 and 170,613 shares issued, respectively	1,681	1,706
Additional paid-in capital	1,221,152	1,221,127
Retained deficit	(27,017,510)	(24,361,528)
	(25,794,677)	(23,138,695)
Treasury stock - 86,033 shares, at cost	(8,858,337)	(8,858,337)
Total shareholders' deficit	(34,653,014)	(31,997,032)
Total liabilities and shareholders' deficit	$ 71,078,201	$ 75,407,810

The accompanying notes are an integral part of these consolidated balance sheets.

INDEPENDENT PROPANE COMPANY HOLDINGS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2001, 2000, AND 1999

	2001	2000	1999
SALES:			
Propane	$67,358,523	$ 49,372,705	$ 37,685,218
Other	9,061,668	9,600,372	7,304,299
Total sales	76,420,191	58,973,077	44,989,517
COST OF SALES:			
Propane	34,130,449	24,078,875	12,405,337
Other	3,630,779	4,249,833	3,631,276
Total cost of sales	37,761,228	28,328,708	16,036,613
GROSS PROFIT	38,658,963	30,644,369	28,952,904
OPERATING EXPENSES:			
Selling, general, and administrative	22,321,832	21,922,915	21,305,182
Depreciation and amortization	7,018,730	6,883,411	5,544,293
Total operating expenses	29,340,562	28,806,326	26,849,475
OPERATING PROFIT	9,318,401	1,838,043	2,103,429
INTEREST EXPENSE, net	6,297,693	7,393,941	5,094,672
NET INCOME (LOSS) BEFORE INCOME TAXES	3,020,708	(5,555,898)	(2,991,243)
INCOME TAXES	-	-	-
NET INCOME (LOSS)	3,020,708	(5,555,898)	(2,991,243)
LESS: DIVIDENDS ON PREFERRED STOCK	(5,676,690)	(4,945,571)	(4,309,777)
NET LOSS AVAILABLE TO COMMON SHAREHOLDERS	$(2,655,982)	$(10,501,469)	$ (7,301,020)
NET LOSS PER COMMON SHARE:			
Basic and diluted	$(15.68)	$(61.07)	$(42.13)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES AND COMMON SHARE EQUIVALENTS OUTSTANDING:			
Basic and diluted	169,363	171,959	173,304

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

INDEPENDENT PROPANE COMPANY HOLDINGS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
FOR THE YEARS ENDED SEPTEMBER 30, 2001, 2000, AND 1999

	Common Stock	Additional Paid-in Capital	Retained Deficit	Treasury Stock	Total Shareholders' Equity
BALANCE, September 30, 1998	$ 1,733	$ 1,221,100	$ (6,559,039)	$(8,858,337)	$(14,194,543)
Preferred stock dividends	-	-	(4,309,777)	-	(4,309,777)
Net loss	-	-	(2,991,243)	-	(2,991,243)
BALANCE, September 30, 1999	1,733	1,221,100	(13,860,059)	(8,858,337)	(21,495,563)
Cancellation of subscription receivable	(27)	27	-	-	-
Preferred stock dividends	-	-	(4,945,571)	-	(4,945,571)
Net loss	-	-	(5,555,898)	-	(5,555,898)
BALANCE, September 30, 2000	1,706	1,221,127	(24,361,528)	(8,858,337)	(31,997,032)
Cancellation of subscription receivable	(25)	25	-	-	-
Preferred stock dividends	-	-	(5,676,690)	-	(5,676,690)
Net income	-	-	3,020,708	-	3,020,708
BALANCE, September 30, 2001	$ 1,681	$ 1,221,152	$(27,017,510)	$(8,858,337)	$(34,653,014)

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

INDEPENDENT PROPANE COMPANY HOLDINGS AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2001, 2000, AND 1999

	2001	2000	1999
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 3,020,708	$(5,555,898)	$ (2,991,243)
Adjustments to reconcile net income (loss) to net cash provided by operating activities-			
Depreciation and amortization	7,018,730	6,883,411	5,544,293
Amortization of debt issuance costs	356,406	389,508	707,265
Changes in, (net of effects from acquisitions)-			
Accounts receivable, net	58,397	(2,090,924)	(1,019,744)
Inventories, net	277,195	(308,756)	(398,640)
Other current assets	(190,458)	(5,883)	(103,580)
Accounts payable and accrued liabilities	(375,436)	1,517,475	1,174,654
Customer deposits	(66,672)	(45,224)	14,150
Net cash provided by operating activities	10,098,870	783,709	2,927,155
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures, net	(2,736,547)	(2,799,446)	(3,739,147)
Net cash paid in acquisitions	-	(5,273,317)	(18,675,845)
(Increase) decrease in other noncurrent assets	(260,444)	18,588	580,909
Net cash used in investing activities	(2,996,991)	(8,054,175)	(21,834,083)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments on short-term notes payable	(466,000)	(1,212,000)	(160,000)
Net (payments) proceeds from credit agreement	(4,382,528)	10,200,878	19,490,330
Proceeds from long-term debt	-	-	959,873
Payments on long-term debt	(2,059,681)	(1,601,984)	(1,393,486)
Debt issuance costs	-	(8,445)	(134,148)
Net cash (used in) provided by financing activities	(6,908,209)	7,378,449	18,762,569
NET INCREASE (DECREASE) IN CASH	193,670	107,983	(144,359)
CASH, beginning of period	809,997	702,014	846,373
CASH, end of period	$ 1,003,667	$ 809,997	$ 702,014
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid during the year for interest	$ 5,864,832	$ 6,904,101	$ 4,340,771
Noncash activities-			
Debt issued in acquisitions	$ -	$ 696,500	$ 1,919,000
Preferred stock dividends	$ 5,676,690	$ 4,945,571	$ 4,309,777

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

INDEPENDENT PROPANE COMPANY HOLDINGS AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2001 AND 2000

1. THE COMPANY:

Independent Propane Company Holdings, a Delaware corporation, and subsidiaries (the "Company"), is a distributor of propane gas and related merchandise with operations primarily in the Southern and Southeastern United States. At September 30, 2001, the Company had 44 branch locations and 24 satellite locations. The Company's business expansion to date has occurred mainly through the acquisitions of other propane outlets. Acquisitions which occurred during the periods presented in the accompanying consolidated financial statements are discussed in Note 6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

CONSOLIDATION

All significant intercompany accounts and transactions have been eliminated in the accompanying consolidated financial statements.

INVENTORIES

Inventories are stated at the lower of cost (weighted average for propane and first-in, first-out for merchandise) or market.

PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment are stated at cost. Depreciation on property, plant, and equipment is calculated using the straight-line method over the estimated useful lives of the assets. Original cost and related accumulated depreciation are removed from the accounts in the year assets are retired. Maintenance and repairs are charged to expense as incurred.

INTANGIBLES

Intangible assets include the cost of noncompetition agreements and purchase price in excess of the estimated fair value of net assets acquired ("goodwill"). The cost of noncompetition agreements is being amortized over periods of 2 to 7 years, while goodwill is being amortized over 15 years, using the straight-line method.

ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," the Company records impairment for losses on its long-lived assets and goodwill when events or circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amount of the assets. No such impairment losses have been recognized to date.

DEBT ISSUANCE COSTS

Debt issuance costs incurred in connection with obtaining and amending the debt are being amortized over the life of the related loan and are included in interest expense in the accompanying consolidated statements of operations.

INCOME TAXES

Deferred income taxes are recorded, where appropriate, to reflect the estimated future tax effects of differences between financial statement bases and tax bases of assets and liabilities.

REVENUE RECOGNITION

Propane sales are recognized when the product is delivered to the customer. Other revenue, which primarily includes other fuel sales, merchandise sales, and tank rental income, is recognized when products are delivered and as services are rendered.

USE OF ESTIMATES

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

CREDIT CONCENTRATION

The Company generally extends credit to its retail customers through delivery into company and customer owned propane tanks. No individual customer comprises more than 5% of the Company's business thus reducing the risk as a result of the large volume of customers. Provisions for doubtful accounts receivable are reflected in the consolidated financial statements and have generally been within management's expectations.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company enters into various financial instruments in the normal course of business. The carrying values of the Company's short-term financial instruments, including cash, receivables, and short-term notes payable approximate their fair value because of the short maturity of the instruments. The carrying value of the long-term debt approximates fair value because of its variable interest rate.

NEW ACCOUNTING STANDARD

In July 2001, SFAS No. 142 "Goodwill and Other Intangible Assets" was issued. The Company is required to adopt this new standard at the beginning of fiscal 2003, although early adoption is permitted at the beginning of fiscal 2002. Subsequent to the adoption of SFAS No. 142, recorded goodwill is not amortized. Adoption of the standard also includes transitional impairment testing of previously recorded goodwill. The Company has not early adopted this new standard and has not determined if impairment of goodwill will be required at the date of adoption.

3. INVENTORIES:

As of September 30, 2001 and 2000, inventories consisted of:

	2001	2000
Propane	$1,845,677	$2,080,454
Merchandise	1,585,827	1,616,826
Other fuels	152,991	164,410
Reserves	(260,000)	(260,000)
	$3,324,495	$3,601,690

4. PROPERTY, PLANT, AND EQUIPMENT:

A summary of the estimated useful lives utilized for depreciation purposes is as follows:

	Estimated Lives (Years)
Buildings	40
Office furniture and equipment	5 to 10
Shop equipment	10
Tanks	20
Vehicles	5

Depreciation expense related to property, plant, and equipment in 2001, 2000, and 1999 was approximately $4,363,000, $4,658,000, and $3,759,000, respectively. Certain of the Company's property, plant, and equipment has been pledged as security under certain long-term debt agreements and the Amended and Restated Credit Agreement (see Note 8).

5. INTANGIBLES:

As of September 30, 2001 and 2000, intangibles consisted primarily of goodwill and noncompetition agreements (see Note 2). Amortization expense related to intangible assets for 2001, 2000, and 1999 totaled approximately $2,656,000, $2,225,000, and $1,785,000, respectively.

6. ACQUISITIONS:

In fiscal 2001, the Company did not complete any acquisitions. In fiscal 2000, the Company acquired assets of nine Texas propane companies. The total purchase price for those acquisitions included approximately $6,044,000 in cash and $697,000 in promissory notes with terms ranging from 1 to 7 years.

In connection with one acquisition, the Company also entered into a certain noncompetition agreement with the previous owner for approximately $235,000 for 7 years. Purchase price in excess of the fair value of assets acquired of approximately $3,067,000 was allocated to intangible assets.

7. SHORT-TERM NOTES PAYABLE:

As of September 30, 2001 and 2000, short-term notes payable consisted of notes payable, at varying interest rates, to previous owners of acquired companies totaling $0 and $466,000, respectively, payable within one year of the related acquisition date.

8. LONG-TERM DEBT:

As of September 30, 2001 and 2000 long-term debt consisted of the following:

	2001	2000
Revolving line of credit up to a maximum of $21,000,000 at September 30, 2001 and 2000, matures on September 30, 2003, requires monthly payments of interest at either the Bank Prime Loan Rate or LIBOR, plus an incremental interest rate of up to 4% (7.1% and 10.6% at September 30, 2001 and 2000, respectively)	$16,541,734	$17,724,262
Term A Loan, matures on September 30, 2003, requires quarterly payments of principal and interest at either the Bank Prime Loan Rate or LIBOR, plus an incremental interest rate of up to 4% (7.1% and 10.6% at September 30, 2001 and 2000, respectively), quarterly installments range from $50,000 beginning after June 30, 2000, to $2,500,000 beginning after December 31, 2002	16,000,000	19,000,000
Term B Loan, matures on September 30, 2003, requires quarterly payments of principal and interest at either the Bank Prime Loan Rate or LIBOR, plus an incremental interest rate of up to 4% (7.1% and 10.6% at September 30, 2001 and 2000, respectively), payable quarterly in installments of 0.25% of Term B loan outstanding	19,450,000	19,650,000
Notes payable to sellers for acquisitions, mature on various dates from February 2001 through June 2010, principal and interest varying from 8% to 12% payable in monthly installments	2,611,987	4,143,209
Other	362,448	890,907
	54,966,169	61,408,378
Less- Current maturities	6,408,576	4,721,242
Total long-term debt, net of current maturities	$48,557,593	$56,687,136

The Company has a credit agreement which consists of a revolving line of credit, Term A loan, and Term B loan (collectively, the "Credit Agreement"). The Credit Agreement matures on September 30, 2003, and is collateralized by the assets of the Company.

The Credit Agreement contains various financial covenants under which the Company is obligated. These financial covenants, among others, include requirements for debt to cash flow, interest coverage, and fixed charge coverage. As of September 30, 2001, the Company is in compliance with these covenants.

At September 30, 2001 and 2000, the weighted average interest rate for outstanding balances under this agreement equaled 7.2% and 10.6%, respectively.

As part of the Credit Agreement, the lender received a warrant to purchase 100 shares of Series D Convertible Preferred Stock (see Note 12). The lender also invested $1,000,000 in exchange for Series E Preferred Stock and a related warrant.

Principal maturities of long-term debt outstanding at September 30, 2001, over the next five fiscal years and thereafter are as follows:

2002	$ 6,408,576
2003	47,836,207
2004	263,561
2005	189,356
2006	116,607
Thereafter	151,862
	$54,966,169

9. LEASES:

The Company rents most of its office and branch location space under leases which range from 1 to 15 years. The Company also leases vehicles, equipment, and land under leases ranging from 6 months to 15 years. At September 30, 2001, the Company was committed to make future rental payments under several long-term operating lease agreements. The future minimum payments required over the next five fiscal years and thereafter are summarized below:

2002	$ 909,784
2003	833,316
2004	688,668
2005	571,441
2006	229,369
Thereafter	290,675
Total minimum lease payments	$3,523,253

Total rent expense for the years ended September 30, 2001, 2000, and 1999, was approximately $797,000, $848,000, and $820,000, respectively, and is included in selling, general, and administrative expenses.

10. INCOME TAXES:

The Company recorded no income tax benefit for the years ended September 30, 2000 and 1999, due to an offsetting amount increasing the valuation allowance. The Company made no provision for income taxes for the year ended September 30, 2001, due to the utilization of the net operating loss carryforward and a corresponding reduction in the valuation allowance.

As of September 30, 2001 and 2000, the tax effects of temporary differences which gave rise to the net deferred income tax liability were as follows:

	2001	2000
Allowance for doubtful accounts	$ 294,780	$ 240,380
Property, plant, and equipment	(2,331,079)	(2,007,482)
Net operating loss carryforwards	3,464,470	4,458,587
Other	35,567	(58,380)
Valuation allowance	(1,563,738)	(2,733,105)
Net noncurrent deferred tax liability	$ (100,000)	$ (100,000)

As of September 30, 2001, the Company had net operating loss carryforwards of approximately $10,190,000 for federal income tax purposes. The Company's income tax provision differed from the federal statutory rate of 34% due to the establishment of a valuation allowance for the net operating loss carryforwards, the realization of which cannot be assured at this time. Substantially all of the net operating loss carryforwards at September 30, 2001, are subject to certain limitations under Internal Revenue Code Section 382.

11. OTHER RELATED-PARTY TRANSACTIONS:

For the years ended September 30, 2001, 2000, and 1999, the Company had purchased legal services totaling approximately $32,000, $86,000, and $102,000 respectively, from certain shareholders. These legal costs were primarily associated with the various acquisitions, and the amendments to the Credit Agreement.

As of September 30, 2001, 2000, and 1999, in connection with the sale of stock, the Company had a note receivable from officers of the Company totaling $0, $250,000, and $653,650, respectively, which are included as a reduction in additional paid-in capital. The notes bore interest at 8%.

12. PUT WARRANTS:

In connection with the Credit Agreement, the lender received a warrant to purchase 100 shares of the Series D Convertible Preferred Stock, $.01 par value, at an exercise price of $1.00 per share. The warrant is exercisable from September 11, 1998, through September 11, 2008. The holder of the warrant has the right to put its warrant to the Company at a price as defined in the Credit Agreement. The put exercise period is anytime after September 11, 2003. The warrant is adjusted annually to its fair market value through earnings.

Series E Senior Redeemable Preferred Stock (Note 13) includes warrants to purchase 82,492 shares of common stock at an exercise price of $.01 per share. The warrants may be exercised at any time up to the expiration date of September 11, 2008. These warrants have a put feature that allows the holder to put the warrants to the Company after September 11, 2003, at current market price as defined in the stock purchase agreement. The warrants are adjusted annually to their fair market value through earnings.

The fair market value assigned to the warrants upon issuance was $0 and there has been no change in market value since their issuance.

13. SERIES E REDEEMABLE PREFERRED STOCK:

Series E Senior Redeemable Preferred Stock ("Series E") consist of 35,000 designated shares of which 29,000 were issued and outstanding as of September 30, 2001 and 2000. Each share of Series E stock has a liquidation value of $1,000 plus accrued and unpaid dividends. Dividends accrue at a rate of 14% per year and are compounded on a quarterly basis and totaled approximately $15,143,000 at September 30, 2001. Series E stock has an optional redemption feature that allows the Company to redeem shares at a percentage of liquidation value. These percentages range from 112% in 1998, to 100% in 2004 and thereafter, and the percentage reduces 2% per year for all years between 1998 and 2004. The Series E stock is mandatorily redeemed beginning August 31, 2003, in 6.25% increments of original shares outstanding at the issuance date, payable quarterly. Any remaining shares outstanding as of August 31, 2005, must be redeemed in full as of that date.

14. SHAREHOLDERS' DEFICIT:

As of September 30, 2001 and 2000, the Company's authorized capital structure consisted of 500,000 shares of common stock and 50,000 shares of preferred stock, all of which have a par value of $.01 per share. Following is a summary of each class of stock:

- Common stock - 500,000 authorized shares of which 168,113 and 170,613 shares were issued as of September 30, 2001 and 2000, respectively, including 86,033 treasury shares.

- Series D Convertible Preferred Stock ("Series D") - 100 shares designated of which no shares are issued. Each share of Series D stock has no dividends, unless declared by the Board of Directors of the Company. The Series D stock can also be converted into a total of 7,228 shares of common stock.

Certain current and former employees of the Company and other individuals have stock options exercisable beginning at a date subject to the grant date and vesting period. The remaining 1,250 unvested stock options vest in March 2002. These options are to purchase shares of common stock of the Company at values from $5 to $165 per share. At September 30, 2001, the Company had allocated 28,044 shares of common stock for issuance under the plan. During 2001, 5,000 options were granted that qualify for variable accounting treatment which requires the recognition of compensation expense based on changes in the fair value of the common stock. During 2001, no compensation expense was recognized. A summary of stock option activity for the years ended September 30, 2001, 2000, and 1999, is presented in the table below:

	September 30, 2001		September 30, 2000		September 30, 1999	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding, beginning of year	6,210	$106.97	8,299	$121.58	8,299	$121.58
Granted	5,000	5.00	-	-	-	-
Exercised	-	-	-	-	-	-
Expired	3,044	100.00	-	-	-	-
Cancelled	2,500	100.00	2,089	165.00	-	-
Outstanding, end of year	5,666	$ 23.81	6,210	$106.97	8,299	$121.58
Exercisable at end of year	4,416	$ 29.13	4,960	$108.73	4,335	$109.99

The Company has elected to account for stock-based compensation programs using the intrinsic value method under Accounting Principles Board Opinion No. 25. The following pro forma disclosures are presented to reflect amounts as if the fair value method defined in SFAS No. 123 were applied:

	September 30, 2001	September 30, 2000	September 30, 1999
Net loss available to common shareholders	$(2,718,513)	$(10,764,686)	$(7,792,528)
Net loss per common share - basic and diluted	$ (16.05)	$ (62.60)	$ (44.96)

The Company used the minimum value method to estimate the fair values of options for the above pro forma information. For purposes of the minimum value method, the Company used risk-free interest rates of 6.3%, 5.1% and 6.7%, respectively, assumed no volatility or future dividends, and assumed the expected life of the options to be through the applicable expiration dates.

The following table summarized information about stock options outstanding at September 30, 2001:

Exercise Price	Number Outstanding	Number Exercisable	Remaining Contractual Life
$5.00	5,000	3,750	9.1
$165.00	666	666	1.9

15. SUBSEQUENT EVENTS (UNAUDITED):

On December 19, 2001, IPCH Acquisition Corp., a newly formed and wholly owned subsidiary of Inergy Holdings, LLC purchased all of the outstanding stock and assumed the outstanding debt of the Company.

INERGY, L.P.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF INCOME

The following Unaudited Pro Forma Condensed Combined Statements of Income of Inergy, L.P. ("Inergy") give effect to the December 19, 2001 acquisition by Inergy's operating company of Independent Propane Company Holdings ("IPC") and subsidiaries under the purchase method of accounting. The pro forma adjustments are based upon available information and assumptions that management believes are reasonable. The Unaudited Pro forma Condensed Combined Statements of Income do no purport to represent what the results of operations of Inergy would have been if the purchase transaction had occurred on the dates indicated below, nor do they purport to project the results of operations of Inergy for any future period.

The Unaudited Pro Forma Condensed Combined Statements of Income for the periods presented were prepared by combining Inergy's consolidated statement of income for fiscal year ended September 30, 2001, with IPC's consolidated statement of income for the fiscal year ended September 30, 2001, and Inergy's consolidated statement of income for the three months ended December 31, 2001, with IPC's consolidated statement of income for the three months ended December 31, 2001, to give effect to the acquisition as though it had occurred on October 1, 2000. In addition, the Unaudited Pro Forma Condensed Combined Statements of Income also give effect to Inergy's issuance of 18,252 common units to certain members of IPC management, who remain as employees of Inergy, L.P., for approximately $0.5 million in cash at the time of the acquisition. The Unaudited Pro Forma Condensed Combined Statements of Income do not give effect to any savings or other operating efficiencies that are expected to result from the integration of the operations of IPC with Inergy.

The Unaudited Pro Forma Condensed Combined Statement of Income for the fiscal year ended September 30, 2001 is broken into two periods; from October 1, 2000 to July 31, 2001 and August 1, 2001 to September 30, 2001. The results of operations from October 1, 2000 to July 31, 2001 are attributable to Inergy's predecessor, Inergy Partners, LLC. The results of operations from August 1, 2001 to September 30, 2001 reflect Inergy's results of operations following the initial public offering. Therefore, IPC's results of operations for the fiscal year ended September 30, 2001, and pro forma adjustments are presented in this same manner.

The historical consolidated statement of income of Inergy for the fiscal year ended September 30, 2001, is derived from audited consolidated financial statements included in the Form 10-K filed by Inergy on December 28, 2001, with the SEC. The historical consolidated statement of income of Inergy for the three months ended December 31, 2001, is derived from the unaudited consolidated financial statements included in the Form 10-Q filed by Inergy on February 14, 2002, with the SEC. The historical consolidated statement of income of IPC for the fiscal year ended September 30, 2001, is derived from information included in the audited consolidated financial statements contained in this Current Report and from its accounting records. The historical consolidated statement of income of IPC for the period from October 1, 2001 to December 19, 2001 (immediately prior to the acquisition) is derived from IPC's accounting records. The results of operations from December 20, 2001 through December 31, 2001 are included in the Inergy's financial statements for the three months ended December 31, 2001.

You should read the Unaudited Pro Forma Condensed Combined Statements of Income along with Inergy's consolidated financial statements and accompanying notes included in its prior SEC filings and with IPC's consolidated financial statements and accompanying notes included in this Current Report.

EXHIBIT 99.3

INERGY, L.P. AND SUBSIDIARY
(SUCCESSOR TO INERGY PARTNERS, LLC AND SUBSIDIARIES)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
FISCAL YEAR ENDED SEPTEMBER 30, 2001
(IN THOUSANDS EXCEPT PER UNIT DATA)

	Inergy, L.P.	Independent Propane Company Holdings	Pro Forma Adjustments		Pro Forma Adjusted
Revenue:					
Propane	$212,441	$67,358			$279,799
Other	10,698	9,062			19,760
	223,139	76,420			299,559
Cost of product sold	182,582	37,761			220,343
Gross profit	40,557	38,659			79,216
Expenses:					
Operating and administrative	23,501	22,322			45,823
Depreciation and amortization	6,532	7,019	$(2,334)	(a)	11,217
Operating income	10,524	9,318	2,334		22,176
Other income (expense):					
Interest expense	(6,670)	(6,297)	145	(b)	(12,822)
Gain (loss) on sale of property, plant and equipment	37	-			37
Finance charges	290	-			290
Other	168	-			168
Income before income taxes	4,349	3,021	2,479		9,849
Provision for income taxes	-	-			-
Net income	$ 4,349	$ 3,021	$ 2,479		$ 9,849
Net income for the period from October 1, 2000 through July 31, 2001 attributable to Inergy, L.P.'s predecessor	$ 6,664	$ 4,735	$ 2,066		$ 13,465
Net loss for the period from August 1, 2001 through September 30, 2001 attributable to Inergy, L.P. following initial public offering	$ (2,315)	$(1,714)	$ 413		$ (3,616)

EXHIBIT 99.3

INERGY, L.P. AND SUBSIDIARY
(SUCCESSOR TO INERGY PARTNERS, LLC AND SUBSIDIARIES)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
FISCAL YEAR ENDED SEPTEMBER 30, 2001
(IN THOUSANDS EXCEPT PER UNIT DATA)
(CONTINUED)

Partners' interest information for the period from August 1, 2001 through September 30, 2001:			
Non-managing general partners' interest in net loss	$ (46)		$ (72)
Limited partners' interest in net loss:			
Common unit interest:			
Allocation of net loss	$ (729)		$ (1,427)
Less beneficial conversion value allocated to senior subordinated units	(8,600)		(8,600)
Net common unit interest	(9,329)		(10,027)
Senior subordinated interest:			
Allocation of net loss	(1,313)		(1,805)
Plus beneficial conversion value allocated to senior subordinated units	8,600		8,600
Net senior subordinated unit interest	7,287		6,795
Junior subordinated unit interest	(227)		(312)
Total limited partners' interest in net loss	$(2,269)		$ (3,544)
Net loss per limited partner unit - basic and diluted	$(0.40)		$(0.54)
Weighted average limited partners' units outstanding - basic and diluted	5,726	778 (c)	6,504

See accompanying Notes to Unaudited Pro Forma Condensed Combined Statements of Income.

EXHIBIT 99.3

INERGY, L.P. AND SUBSIDIARY
(SUCCESSOR TO INERGY PARTNERS, LLC AND SUBSIDIARIES)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
THREE MONTHS ENDED DECEMBER 31, 2001
(IN THOUSANDS EXCEPT PER UNIT DATA)

	Inergy, L.P.	Independent Propane Company Holdings (d)	Pro Forma Adjustments	Pro Forma Adjusted
Revenue:				
Propane	$58,989	$11,562		$70,551
Other	3,046	1,974		5,020
	62,035	13,536		75,571
Cost of product sold	46,200	5,404		51,604
Gross profit	15,835	8,132		23,967
Expenses:				
Operating and administrative	8,292	4,455		12,747
Depreciation and amortization	1,774	1,649	$(622)(e)	2,801
Operating income	5,769	2,028	622	8,419
Other income (expense):				
Interest expense	(1,238)	(842)	37 (f)	(2,043)
Gain (loss) on sale of property, plant and equipment	(90)	-		(90)
Finance charges	-	-		-
Other	56	3		59
Income before income taxes	4,497	1,189	659	6,345
Provision for income taxes	32	-		32
Net income	$ 4,465	$ 1,189	$ 659	$ 6,313

EXHIBIT 99.3

INERGY, L.P. AND SUBSIDIARY
(SUCCESSOR TO INERGY PARTNERS, LLC AND SUBSIDIARIES)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
THREE MONTHS ENDED DECEMBER 31, 2001
(IN THOUSANDS EXCEPT PER UNIT DATA)
(Continued)

Partners' interest information for the three month period ended December 31, 2001:

Non-managing general partners' interest in net income	$ 89		$ 126
Limited partners' interest in net income:			
Common unit interest	$1,458		$2,490
Senior subordinated interest	2,488		3,152
Junior subordinated unit interest	430		545
Total limited partners' interest in net income	$4,376		$6,187
Net income per limited partner unit:			
Basic	$ 0.75		$ 0.95
Diluted	$ 0.74		$ 0.94
Weighted average limited partners' units outstanding:			
Basic	5,827	676(g)	6,503
Diluted	5,898	685(h)	6,583

See accompanying Notes to Unaudited Pro Forma Condensed Combined Statements of Income.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
(IN THOUSANDS)

Fiscal Year Ended September 30, 2001:

(a)	Eliminate historical depreciation and amortization expense of Independent Propane Company Holdings	$(7,019)
	Depreciation and amortization reflecting allocation of purchase price:	
	Depreciation expense on allocated property, plant and equipment	2,791
	Amortization expense on customer accounts and non-compete agreement intangibles	1,894
		$(2,334)
(b)	Eliminate interest expense on Independent Propane Company Holdings debt	$(6,297)
	Add interest expense on Bank Credit Agreement borrowings and assumed debt	5,543
	Add amortization of debt issuance cost	609
		$ (145)
(c)	To reflect issuance of 394,601 Inergy, L.P. common units issued to IPCH Acquisition Corp. in conjunction with the acquisition	395
	To reflect issuance of 365,019 Inergy, L.P. common units issued to former Independent Propane Company Holdings shareholders	365
	To reflect issuance of 18,252 Inergy, L.P. common units issued to certain members of Independent Propane Company Holdings management who continue as employees of Inergy, L.P	18
		778

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF INCOME
(IN THOUSANDS)
(Continued)

Three Months Ended December 31, 2001:

(d) Include the historical consolidated statement of income of Independent Propane Company Holdings for the period from October 1, 2001 to December 19, 2001 (immediately prior to the acquisition). The results of operations from December 20, 2001 through December 31, 2001 are included in the Inergy's financial statements for the three months ended December 31, 2001.

(e)	Eliminate historical depreciation and amortization expense of Independent Propane Company Holdings	$(1,649)
	Depreciation and amortization reflecting allocation of purchase price:	
	Depreciation expense on allocated property, plant and equipment	612
	Amortization expense on customer accounts and non-compete agreement intangibles	415
		$ (622)
(f)	Eliminate interest expense on Independent Propane Company Holdings debt	$ (842)
	Add interest expense on Bank Credit Agreement borrowings and assumed debt	672
	Add amortization of debt issuance cost	133
		$ (37)
(g)	To reflect issuance of 394,601 Inergy, L.P. common units issued to IPCH Acquisition Corp. in conjunction with the acquisition, weighted for the period from October 1, 2001 through December 19, 2001 prior to the acquisition	343
	To reflect issuance of 365,019 Inergy, L.P. common units issued to former Independent Propane Company Holdings shareholders, weighted for the period from October 1, 2001 through December 19, 2001 prior to the acquisition	317
	To reflect issuance of 18,252 Inergy, L.P. common units issued to certain members of Independent Propane Company Holdings management who continue as employees of Inergy, L.P, weighted for the period from October 1, 2001 through December 19, 2001 prior to the acquisition	16
		676
(h)	Units reflected as issued per basic calculation in (g)	676
	To reflect the additional diluted units resulting from the issuance of options to certain members of Independent Propane Company Holdings management, weighted for the period from October 1, 2001 through December 19, 2001 prior to the acquisition	9
		685

EXHIBIT 99.4

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report dated November 16, 2001, included in this Form 8-K of Inergy, L.P., relating to the consolidated financial statements of Independent Propane Company Holdings and subsidiaries ("IPCH"). It should be noted that we have not audited any financial statements of IPCH subsequent to September 30, 2001, or performed any audit procedures subsequent to the date of our report.

/s/ Arthur Andersen LLP

Dallas, Texas,
March 1, 2002