

INERGY L P  
Form 424B3  
October 25, 2010

Filed pursuant to Rule 424(b)(3)  
Registration No. 333-169220

**SUPPLEMENT DATED OCTOBER 25, 2010**

**TO**

**PROXY STATEMENT/PROSPECTUS DATED OCTOBER 1, 2010**

**INERGY HOLDINGS UNITHOLDERS**

**MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

**SPECIAL MEETING OF INERGY HOLDINGS, L.P. UNITHOLDERS**

**TO BE HELD ON NOVEMBER 2, 2010**

To the Unitholders of Inergy Holdings, L.P.:

This supplement is being mailed on or about October 26, 2010 to the unitholders of record of Inergy Holdings, L.P. ( Holdings ) as of the close of business on October 1, 2010. The following information supplements and should be read in conjunction with the proxy statement/prospectus dated October 1, 2010 of Holdings relating to the proposal to adopt the First Amended and Restated Agreement and Plan of Merger (which is referred to herein as the merger agreement ), dated as of September 3, 2010, by and among Inergy, L.P. ( Inergy ), Inergy GP, LLC, the managing general partner of Inergy ( Inergy GP ), Holdings, Inergy Holdings GP, LLC, the general partner of Holdings ( Holdings GP ), NRG Limited Partner, LLC, a wholly owned subsidiary of Holdings GP ( New NRG LP ), and NRG MS, LLC, a wholly owned subsidiary of Holdings GP ( MergerCo ), which such proxy statement/prospectus was previously mailed to you on or about October 2, 2010. Under the terms of the merger agreement, MergerCo will merge with and into Holdings, the separate existence of MergerCo will cease and Holdings will survive and continue to exist as a Delaware limited partnership (the merger ), such that immediately following the consummation of the merger, Holdings GP will continue to be the sole general partner of Holdings, and Holdings GP and New NRG LP will remain as the only holders of limited partner interests in Holdings.

**The independent conflicts committee (the Holdings Conflicts Committee ) of the board of directors of Holdings GP (the Holdings Board ) has determined that the merger, the merger agreement and the transactions contemplated thereby are fair and reasonable to, and in the best interest of, Holdings and the Holdings unitholders other than Holdings GP and its affiliates, officers and directors and recommended that the Holdings Board approve the merger, the merger agreement and the transactions contemplated thereby. Based in part on the Holdings Conflicts Committee s determination and recommendation, the Holdings Board has unanimously approved (with the board member who is also a member of management recusing himself) the merger, the merger agreement and the transactions contemplated thereby, and recommends that the Holdings unitholders vote FOR the proposal to approve the merger, the merger agreement and the transactions contemplated thereby.**

**Important Information for Investors and Unitholders**

In connection with the proposed merger and related transactions between Inergy and Holdings, Inergy filed with the Securities and Exchange Commission ( SEC ), and the SEC declared effective on September 30, 2010, a registration statement on Form S-4 that includes a proxy statement of Holdings that also constitutes a prospectus of Inergy. **INERGY AND HOLDINGS URGE INVESTORS AND HOLDINGS UNITHOLDERS TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, AS THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION.** Investors and unitholders may obtain free copies of the proxy statement/prospectus and other documents containing important information about Inergy and Holdings through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by Inergy are available free of charge on Inergy s website at [www.inerylp.com](http://www.inerylp.com) under the tab Investor Relations then select Inergy, L.P. or by contacting Inergy s investor relations administrator at (816) 842-8181. Copies of the documents filed with the SEC by Holdings are available free of charge on Holdings website at [www.inerylp.com](http://www.inerylp.com) under the tab Investor Relations then select Inergy Holdings, L.P. or by contacting Holdings investor relations administrator at (816) 842-8181.

You should read the proxy statement/prospectus and this supplement together. To the extent that the information in this supplement is inconsistent with the information in the proxy statement/prospectus, the information in this supplement supersedes the information in the proxy statement/prospectus.

Inergy, Holdings and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from the unitholders of Holdings in connection with the proposed transaction. Information about the directors and executive officers of Inergy is set forth in its Annual Report on Form 10-K for the fiscal year ended September 30, 2009, which was filed with the SEC on November 30, 2009. Information about the directors and executive officers of Holdings is set forth in its Annual Report on Form 10-K for the fiscal year ended September 30, 2009, which was filed with the SEC on November 30, 2009. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, is contained in the proxy statement/prospectus and other relevant materials filed with the SEC. These documents can be obtained free of charge from the sources indicated above.

**Cautionary Statement Regarding Forward-Looking Statements**

This supplement and the proxy statement/prospectus, including information included in or incorporated by reference in the proxy statement/prospectus, contain forward-looking statements that are not limited to historical facts, but reflect the Inergy's and Holdings' current beliefs, expectations or intentions regarding future events. Words such as may, will, could, should, expect, plan, project, intend, and believe, estimate, predict, potential, pursue, target, continue, and similar expressions are intended to identify such forward-looking statements. Please read the information on page 83 of the proxy statement/prospectus under the heading Forward-Looking Statements.

### LITIGATION RELATING TO THE PROPOSED TRANSACTION

As previously disclosed on pages 94-96 of the proxy statement/prospectus, five unitholder class action lawsuits have been filed by Holdings unitholders challenging the proposed merger (collectively, the Holdings Unitholder Lawsuits ). The Holdings Unitholder Lawsuits allege a variety of causes of action challenging the proposed merger, including that the named directors and officers have breached their fiduciary duties in connection with the proposed merger and that the named entities have aided and abetted in these breaches of the directors and officers fiduciary duties. Specifically, the Holdings Unitholder Lawsuits allege, among other things, that (i) the consideration offered by Inergy is unfair and inadequate, (ii) the merger is structured to preclude other potential purchasers of Holdings from proposing a competing transaction, (iii) the named directors and officers have engaged in self-dealing and, through the merger, will obtain benefits not equally shared by the public unitholders of Holdings, and (iv) the Registration Statement on Form S-4 filed by Inergy on September 3, 2010 fails to disclose material information regarding the proposed merger. The Holdings Unitholder Lawsuits were consolidated on October 7, 2010 (the Consolidated Holdings Action ).

In addition to the Consolidated Holdings Action, a sixth Holdings unitholder class action lawsuit, *Platt v. John J. Sherman, et al.*, No. 4:10-cv-991, has been filed in the United States District Court for the Western District of Missouri. The *Platt* lawsuit brings claims alleging: (1) a violation of Section 14(a) of the Securities Exchange Act of 1934, as amended, alleging that the definitive proxy statement filed on Schedule 14A on October 1, 2010 contained false and misleading statements and failed to disclose material facts regarding the negotiation of the merger agreement and the value of Holdings; (2) breach of fiduciary duty against Holdings GP and the directors of Holdings GP; and (3) aiding and abetting a breach of fiduciary duty against Holdings GP and Inergy. The specific allegations include the following: (i) Holdings negotiated an inadequate price for its units; (ii) the directors of Holdings GP breached their fiduciary duties by including deal protection devices such as a limited go-shop period and a termination fee within the merger agreement; (iii) directors of Holdings GP engaged in self-dealing and will benefit personally from the proposed merger at the expense of unaffiliated unitholders; and (iv) Holdings failed to disclose the underlying methodologies, projections, key inputs, and multiples relied upon by its financial advisor, including the bases for the financial forecasts provided by Holdings management to TudorPickering and the identities, descriptions, and premiums paid in comparable transactions, limiting the ability of voting unitholders to assess the credibility of the TudorPickering fairness opinion. The *Platt* lawsuit, like the other Holdings Unitholder Lawsuits, seeks (i) to enjoin the consummation of the merger or rescind the merger should it take place, (ii) damages, (iii) an account or disgorgement of profits, and (iv) attorneys fees. The *Platt* plaintiff filed a motion for expedited proceedings on October 13, 2010.

In addition to the unitholder class action lawsuit filed by Inergy unitholders challenging the proposed merger as previously disclosed on pages 94-96 of the proxy statement/prospectus, a second Inergy unitholder class action lawsuit, *Joel A. Gerber v. Inergy GP, LLC et al.*, No. 5864, has been filed in the Court of Chancery of the State of Delaware (collectively, the Inergy Unitholder Lawsuits ). The plaintiffs in the Inergy Unitholder Lawsuits filed a motion for a temporary injunction and a motion for expedited treatment. The court granted the motion for expedited treatment and consolidated the Inergy Unitholder Lawsuits (the Consolidated Inergy Action ). The parties have engaged in discovery, and a hearing on the motion for temporary injunction was held on October 22, 2010. The Consolidated Inergy Action alleges several causes of action challenging the proposed merger, including that the named directors and officers have breached Inergy's limited partnership agreement and their fiduciary duties in connection with the proposed merger. Specifically, the Consolidated Inergy Action alleges that Inergy is paying an excessive price to Holdings unitholders, thereby diluting the value of Inergy to its current unitholders. The consideration provided to Holdings unitholders, the Consolidated Inergy Action alleges, represents a 20.7% premium to Holdings unitholders and exceeds Holdings' aggregate enterprise value by 27%. The Consolidated Inergy Action further alleges that the proposed merger will reduce Inergy's public unitholders' ownership in Inergy from 92% to 57% without providing an adequate return to Inergy unitholders so that the named directors and officers can avoid potential tax ramifications related to their Holdings common units. Additionally, the Consolidated Inergy Action alleges several deficiencies in the process by which the named directors and officers are conducting the proposed transaction. Finally, the plaintiffs in the Consolidated Inergy

Action argue that Inergy's unitholders must vote on the proposed merger because the merger agreement, they allege, constitutes a merger between Inergy and Holdings.

The defendants answered the Consolidated Inergy Action on October 11, 2010 but have not yet answered the Holdings Unitholder Lawsuits or the *Platt* lawsuit.

On October 25, 2010, Holdings entered into a Memorandum of Understanding (the "MOU") with the plaintiffs regarding the settlement of the Consolidated Holdings Action and the *Platt* lawsuit. The MOU provides that Holdings will make certain supplemental disclosures in connection with the proxy statement/prospectus sent to the Holdings unitholders soliciting approval of the proposed merger. In addition, the MOU provides that plaintiffs' counsel will petition the court for an award of attorneys' fees and expenses to be paid by Holdings. As part of the proposed settlement, Holdings has agreed to pay up to \$1,000,000 to plaintiffs' counsel for their fees and expenses, subject to court approval that such an award is reasonable. The MOU further provides that the parties will enter into a stipulation of settlement which will provide, among other things, for the conditional certification of a settlement class. The stipulation of settlement will be subject to customary conditions, including court approval following notice to Holdings unitholders. In the event that the parties enter into a stipulation of settlement, a hearing will be scheduled at which the court will consider the fairness, reasonableness, and adequacy of the settlement. If the settlement is finally approved by the court, it will resolve and release on behalf of the class in the Consolidated Holdings Action and the *Platt* lawsuit all claims that were or could have been brought challenging any aspect of the proposed merger, the merger agreement, and any disclosure made in connection therewith and a dismissal with prejudice will be filed. The proposed settlement is subject to a number of conditions, including, without limitation, completion of certain discovery by the plaintiffs, the consummation of the merger and court approval of the proposed settlement. There is no assurance that these conditions will be satisfied.

Holdings and its directors and Inergy vigorously deny all liability with respect to the facts and claims alleged in the lawsuits and specifically deny that any further supplemental disclosure was required under any applicable statute, regulation or law and that the directors of Holdings GP failed to maximize unitholder value by entering into the merger agreement with Inergy. The settlement is not, and should not be construed as, an admission of wrongdoing or liability by any defendant. However, to avoid the risk of delaying or otherwise placing consummation of the merger at risk and to provide additional information to Holdings unitholders at a time and in a manner that would not cause delay of the merger, Holdings and its directors and Inergy agreed to the settlement described above. The parties considered it desirable that the action be settled to avoid the substantial burden, expense, risk, inconvenience and distraction of continued litigation and to fully and finally resolve the settled claims.

**ADDITIONAL DISCLOSURE REQUIRED BY THE**

**MEMORANDUM OF UNDERSTANDING**

*Set forth below are additional disclosures required to be made in accordance with the MOU. The disclosures appear below the appropriate section heading that corresponds to the sections in the proxy statement/prospectus previously mailed to you. This supplemental information should be read in conjunction with the proxy statement/prospectus, which should be read in its entirety. Defined terms used but not defined herein have the meanings set forth in the proxy statement/prospectus.*

**SPECIAL FACTORS**

**Opinions of Tudor, Pickering, Holt & Co. Securities, Inc. Financial Advisor to the Holdings Conflicts Committee**

**August 7 Opinion**

**Summary of Valuation Methodologies**

The disclosure in the eighth bullet point on page 65 of the proxy statement/prospectus under the subsection entitled Summary of Valuation Methodologies is revised as follows:

The second case, which is referred to below as Management's Base Case, was prepared by senior management and assumes \$75 million per year of unidentified acquisitions or growth projects, with cash flow based on an 8.0x EBITDA multiple, no EBITDA growth over time and incremental maintenance capital expenditures equal to 2.5% of EBITDA of the acquired businesses. Based on its judgment and experience, TudorPickering assumed additional growth capital expenditures were financed both with new debt in an amount equal to 27% of such capital expenditures (as opposed to management's assumption of new debt in an amount equal to 3.75x forward year projected EBITDA) bearing interest at an 8.0% interest rate, before an initial purchasers' discount of 2.5%, and with equity issued at a yield of 6.5%, before an underwriting and marketing discount of 7%. Please read Unaudited Financial Projections of Inergy and Holdings.

The following information is provided in addition to the information disclosed on page 65 of the proxy statement/prospectus immediately after the last bullet point under the subsection entitled Summary of Valuation Methodologies:

The following table shows five-year projections prepared by management, as adjusted by TudorPickering with the approval of the Holdings Conflicts Committee, under each of the three Forecasts described above for EBITDA, total distributable cash flow and total distributed cash flow, as well as distributable cash flow and distributed cash flow to the Inergy LP units, on the one hand, and to the general partner interest and IDRs, on the other hand:

| Status Quo              | Management's Status Quo |        |        |        |        | Management's Base Case |        |        |        |        | Base Case Sensitivity |        |        |        |        |
|-------------------------|-------------------------|--------|--------|--------|--------|------------------------|--------|--------|--------|--------|-----------------------|--------|--------|--------|--------|
|                         | 2011                    | 2012   | 2013   | 2014   | 2015   | 2011                   | 2012   | 2013   | 2014   | 2015   | 2011                  | 2012   | 2013   | 2014   | 2015   |
|                         | (\$ in millions)        |        |        |        |        |                        |        |        |        |        |                       |        |        |        |        |
| EBITDA                  | \$ 375                  | \$ 420 | \$ 444 | \$ 452 | \$ 452 | \$ 385                 | \$ 439 | \$ 472 | \$ 489 | \$ 498 | \$ 397                | \$ 463 | \$ 508 | \$ 537 | \$ 559 |
| Distributable Cash Flow | 265                     | 294    | 304    | 305    | 306    | 272                    | 309    | 326    | 336    | 344    | 283                   | 329    | 357    | 376    | 396    |
| Distributed Cash Flow   | 252                     | 280    | 289    | 291    | 292    | 259                    | 294    | 311    | 320    | 328    | 269                   | 314    | 340    | 359    | 377    |
| Distributable Cash Flow |                         |        |        |        |        |                        |        |        |        |        |                       |        |        |        |        |
| To LP Units             | 189                     | 206    | 211    | 212    | 212    | 194                    | 216    | 226    | 232    | 237    | 201                   | 228    | 245    | 257    | 268    |
| To GP & IDRs            | 76                      | 88     | 93     | 94     | 94     | 78                     | 93     | 101    | 104    | 107    | 82                    | 101    | 112    | 120    | 127    |
| Distributed Cash Flow   |                         |        |        |        |        |                        |        |        |        |        |                       |        |        |        |        |
| To LP Units             | 183                     | 199    | 203    | 204    | 205    | 188                    | 208    | 218    | 223    | 229    | 194                   | 220    | 236    | 247    | 259    |
| To GP & IDRs            | 70                      | 81     | 86     | 87     | 87     | 72                     | 86     | 93     | 96     | 99     | 75                    | 93     | 104    | 111    | 118    |



**Premiums Paid Analysis**

The following information is provided in addition to the information disclosed on page 66 of the proxy statement/prospectus under the subsection entitled Premiums Paid Analysis General Partners:

The following table sets forth the percentage of stock or units involved in each transaction and the individual premiums for each transaction:

| Target                           | Acquiror                             | % Stock/<br>Units | 1 Calendar<br>Day<br>Prior | 7 Calendar<br>Days<br>Prior | 30 Calendar<br>Days<br>Prior |
|----------------------------------|--------------------------------------|-------------------|----------------------------|-----------------------------|------------------------------|
| Buckeye GP Holdings L.P.         | Buckeye Partners L.P.                | 100%              | 32%                        | 37%                         | 20%                          |
| Magellan Midstream Holdings L.P. | Magellan Midstream<br>Partners L.P.  | 100               | 25                         | 19                          | 18                           |
| Hiland Holdings GP, L.P.         | Harold Hamm                          | 0                 | 21                         | (14)                        | 30                           |
| MarkWest Hydrocarbon Inc.        | MarkWest Energy<br>Partners L.P.     | 67                | 22                         | 23                          | 17                           |
| TransMontaigne Inc.              | Morgan Stanley Capital<br>Group Inc. | 0                 | 23                         | 51                          | 47                           |
| Kaneb Services LLC               | Valero L.P.                          | 0                 | 38                         | 34                          | 33                           |

The following information is provided in addition to the information disclosed on page 66 of the proxy statement/prospectus under the subsection entitled Premiums Paid Analysis Arms-Length MLPs:

The following table sets forth the percentage of stock or units involved in each transaction and the individual premiums for each transaction:

| Target                                  | Acquiror                              | % Stock/<br>Units | 1 Calendar<br>Day<br>Prior | 7 Calendar<br>Days<br>Prior | 30 Calendar<br>Days<br>Prior |
|---|---------------------------------------|-------------------|----------------------------|-----------------------------|------------------------------|
| Pacific Energy Partners L.P.            | Plains All-American<br>Pipeline L.P.  | 100%              | 11%                        | 10%                         | 14%                          |
| Kaneb Pipe Line Partners L.P.           | Valero L.P.                           | 100               | 21                         | 18                          | 19                           |
| GulfTerra Energy Partners L.P.          | Enterprise Products<br>Partners L.P.  | 100               | 2                          | 4                           | 2                            |
| Santa Fe Pacific Pipeline Partners L.P. | Kinder Morgan Energy<br>Partners L.P. | 100               | 32                         | 33                          | 40                           |

The following information is provided in addition to the information disclosed on page 66 of the proxy statement/prospectus under the subsection entitled Premiums Paid Analysis Related Party MLPs:

The following table sets forth the percentage of stock or units involved in each transaction and the individual premiums for each transaction:

| Target                          | Acquiror                             | % Stock/<br>Units | 1 Calendar<br>Day<br>Prior | 7 Calendar<br>Days<br>Prior | 30 Calendar<br>Days<br>Prior |
|---------------------------------|--------------------------------------|-------------------|----------------------------|-----------------------------|------------------------------|
| Williams Pipeline Partners L.P. | Williams Partners L.P.               | 100%              | 0%                         | (2)%                        | 4%                           |
| TEPPCO Partners L.P.            | Enterprise Products<br>Partners L.P. | 100               | 8                          | 15                          | 33                           |
| Atlas Energy Resources, LLC     | Atlas America, Inc.                  | 100               | 0                          | 8                           | 32                           |
| Hiland Partners, L.P.           | Harold Hamm                          | 0                 | 27                         | 0                           | 48                           |

**Selected Trading Metrics Analysis**

The following information is provided in addition to the information disclosed on page 67 of the proxy statement/prospectus under the subsection entitled Selected Trading Metrics Analysis:

The following table sets forth estimated multiples for the comparable Public GP transactions:

|                                 | Equity Value as a Multiple of Cash Flow<br>Received from the Underlying<br>MLP |           | Implied GP Equity Value<br>as a Multiple of Cash<br>Flow Received from<br>Combined GP Interest |           |
|---------------------------------|--|-----------|--|-----------|
|                                 | 2010   | 2011      | 2010   | 2011      |
|                                 | Estimated  | Estimated | Estimated  | Estimated |
| Alliance Holdings GP, L.P.      | 19.7x  | 17.0x     | 22.2x  | 18.7x     |
| Energy Transfer Equity L.P.     | 15.6x  | 14.5x     | 14.6x  | 13.4x     |
| Enterprise GP Holdings, L.P.    | 20.3x  | 18.4x     | 24.6x  | 22.0x     |
| Penn Virginia GP Holdings, L.P. | 12.8x  | 11.9x     | 15.4x  | 13.6x     |
| NuStar GP Holdings, LLC         | 16.4x  | 16.0x     | 18.7x  | 17.9x     |

**Selected Transactions Metrics Analysis**

The following information is provided in addition to the information disclosed on pages 67-68 of the proxy statement/prospectus under the subsection entitled Selected Transactions Metrics Analysis:

The following table sets forth the size, date, nature of consideration and estimated multiples for the comparable Public GP transactions:

| Date       | Acquirer  | Target                            | Consideration | Public GP Equity Value<br>as a Multiple of Projected<br>Total Cash Flow |  |                                 |                              | Implied GP Equity Value<br>as a Multiple of Projected<br>Combined GP<br>Interest Cash Flow |                        |                              |
|------------|---|-----------------------------------|---------------|---|--|---------------------------------|------------------------------|--|------------------------|------------------------------|
|            |   |                                   |               | Transaction<br>Value<br>(in<br>millions)                                | Last<br>Twelve<br>Months                                       | Next<br>Fiscal<br>Year          | Subsequent<br>Fiscal<br>Year | Last<br>Twelve<br>Months   | Next<br>Fiscal<br>Year | Subsequent<br>Fiscal<br>Year |
|            |   |                                   |               | 07/22/2010  | First Reserve Corporation/Crestwood Midstream Partners II, LLC | Quicksilver Gas Services GP LLC | Cash                         | \$ 644   | 22.2x                  | 21.7x                        |
| 06/11/2010 | Buckeye Partners, L.P.  | Buckeye GP Holdings L.P.          | Stock         | 1,331   | 30.6   | 28.0                            | 25.6                         | 30.7   | 28.1                   | 25.7                         |
| 05/11/2010 | Energy Transfer Equity, L.P.  | Regency GP LP                     | Stock         | 300   | NM   | 34.5                            | 19.2                         | NA   | 44.1                   | 23.8                         |
| 01/26/2010 | Quintana Capital Group, L.P.  | Genesis Energy, LLC               | Cash          | 85  | 15.4   | 10.3                            | 6.1                          | 15.4   | 10.3                   | 6.1                          |
| 03/03/2009 | Magellan Midstream Partners, L.P.   | Magellan Midstream Holdings, L.P. | Stock         | 1,148   | 12.9   | 11.4                            | 9.8                          | 12.9   | 11.4                   | 9.8                          |
| 09/05/2007 | MarkWest Energy Partners, L.P.  | MarkWest Hydrocarbons, Inc.       | Mix           | 702   | 18.5   | 17.2                            | 12.9                         | 20.0   | 17.9                   | 12.6                         |
| 06/18/2007 | General Electric Capital Corporation  | Regency GP L.P.                   | Cash          | 603   | 22.6   | 21.2                            | 16.6                         | 167.2  | 135.9                  | 47.3                         |
| 04/03/2007 | ArcLight Capital Partners, LLC, Kelso & Company and Lehman Brothers Holdings Inc. | Buckeye GP Holdings L.P.          | Cash          | 412   | 24.6   | 23.0                            | 20.3                         | 24.7   | 22.9                   | 20.3                         |



## Edgar Filing: INERGY L P - Form 424B3

|            |                                    |  |      |       |      |      |      |       |       |      |
|------------|------------------------------------|--|------|-------|------|------|------|-------|-------|------|
| 06/19/2006 | Morgan Stanley Capital Group       | TransMontaigne Inc.                      | Cash | 539   | NM   | NM   | NM   | NM    | NM    | NM   |
| 06/12/2006 | Plains All American Pipeline, L.P. | Pacific Energy Partners, L.P.            | Mix  | 700   | 27.9 | 26.4 | 23.8 | 182.1 | 130.4 | 88.9 |
| 02/23/2005 | Enterprise GP Holdings L.P.        | TEPPCO GP, Inc                           | Mix  | 1,100 | 14.8 | 14.1 | 13.0 | 14.8  | 14.0  | 12.9 |
| 11/01/2004 | Valero L.P.                        | Kaneb Services LLC                       | Cash | 545   | 19.6 | 18.6 | 17.6 | 23.7  | 22.1  | 20.0 |
| 09/16/2004 | ONEOK, Inc.                        | Northern Plains Natural Gas Company, LLC | Mix  | 175   | 15.8 | 16.4 | 16.3 | 16.2  | 16.9  | 16.7 |
| 12/15/2003 | Enterprise Products Partners L.P.  | GulfTerra Energy Company, L.L.C.         | Cash | 425   | 12.1 | 9.5  | 9.0  | 12.1  | 9.5   | 9.0  |

**September 22 Opinion****Summary of Valuation Methodologies**

The disclosure in the tenth bullet point on page 74 of the proxy statement/prospectus under the subsection entitled Summary of Valuation Methodologies is revised as follows:

The second case, which is referred to below as September 22 Management's Base Case, was prepared by senior management and assumes \$75 million per year of unidentified acquisitions or growth projects, with cash flow based on an 8.0x EBITDA multiple, no EBITDA growth over time and incremental maintenance capital expenditures equal to 2.5% of EBITDA of the acquired businesses, and a \$7.5 million rebate to Inergy from Holdings related to the acquisition of Tres Palacios. Based on its judgment and experience, TudorPickering assumed additional growth capital expenditures were financed both with new debt in an amount equal to 3.75x forward year projected EBITDA bearing interest at a 7.0% interest rate, before an initial purchasers' discount of 2.5%, and with equity issued at a yield of 7.3%, before an underwriting and marketing discount of 7%. Please read Unaudited Financial Projections of Inergy and Holdings.

The following information is provided in addition to the information disclosed on page 74 of the proxy statement/prospectus immediately after the last bullet point under the subsection entitled Summary of Valuation Methodologies:

The following table shows five-year projections prepared by management, as adjusted by TudorPickering with the approval of the Holdings Conflicts Committee, under each of the three Forecasts described above for EBITDA, total distributable cash flow and total distributed cash flow, as well as distributable cash flow and distributed cash flow to the Inergy LP units, on the one hand, and to the general partner interest and IDRs, on the other hand:

| Status Quo              | Management's Status Quo |        |        |        |        | Management's Base Case |        |        |        |        | Base Case Sensitivity |        |        |        |        |
|-------------------------|-------------------------|--------|--------|--------|--------|------------------------|--------|--------|--------|--------|-----------------------|--------|--------|--------|--------|
|                         | 2011                    | 2012   | 2013   | 2014   | 2015   | 2011                   | 2012   | 2013   | 2014   | 2015   | 2011                  | 2012   | 2013   | 2014   | 2015   |
|                         | (\$ in millions)        |        |        |        |        |                        |        |        |        |        |                       |        |        |        |        |
| EBITDA                  | \$ 432                  | \$ 494 | \$ 516 | \$ 538 | \$ 538 | \$ 441                 | \$ 512 | \$ 544 | \$ 575 | \$ 585 | \$ 442                | \$ 526 | \$ 569 | \$ 613 | \$ 634 |
| Distributable Cash Flow | 292                     | 346    | 355    | 371    | 372    | 299                    | 359    | 375    | 398    | 406    | 300                   | 369    | 394    | 424    | 441    |
| Distributed Cash Flow   | 295                     | 330    | 338    | 353    | 354    | 299                    | 342    | 358    | 379    | 386    | 299                   | 351    | 375    | 404    | 420    |
| Distributable Cash Flow |                         |        |        |        |        |                        |        |        |        |        |                       |        |        |        |        |
| To LP Units             | 222                     | 253    | 257    | 265    | 266    | 226                    | 261    | 270    | 283    | 288    | 226                   | 267    | 281    | 298    | 308    |
| To GP & IDRs            | 71                      | 93     | 98     | 106    | 106    | 73                     | 98     | 105    | 115    | 118    | 74                    | 102    | 113    | 126    | 133    |
| Distributed Cash Flow   |                         |        |        |        |        |                        |        |        |        |        |                       |        |        |        |        |
| To LP Units             | 223                     | 244    | 249    | 256    | 257    | 226                    | 253    | 261    | 273    | 278    | 226                   | 258    | 271    | 288    | 297    |
| To GP & IDRs            | 72                      | 85     | 90     | 97     | 97     | 73                     | 90     | 96     | 106    | 109    | 73                    | 94     | 104    | 116    | 123    |

**Premiums Paid Analysis**

The following information is provided in addition to the information disclosed on page 75 of the proxy statement/prospectus under the subsection entitled Premiums Paid Analysis General Partners:

The following table sets forth the percentage of stock or units involved in each transaction and the individual premiums for each transaction:

| Target                            | Acquiror                             | % Stock/<br>Units | 1 Calendar<br>Day<br>Prior | 7 Calendar<br>Days<br>Prior | 30 Calendar<br>Days<br>Prior |
|-----------------------------------|--------------------------------------|-------------------|----------------------------|-----------------------------|------------------------------|
| Penn Virginia GP Holdings, L.P.   | Penn Virginia Resource Partners L.P. | 100%              | 9%                         | 11%                         | 27%                          |
| Enterprise GP Holdings L.P.       | Enterprise Products Partners, L.P.   | 100               | 16                         | 19                          | 13                           |
| Buckeye GP Holdings L.P.          | Buckeye Partners L.P.                | 100               | 32                         | 37                          | 20                           |
| Magellan Midstream Holdings, L.P. | Magellan Midstream Partners, L.P.    | 100               | 25                         | 19                          | 18                           |
| Hiland Holdings GP, L.P.          | Harold Hamm                          | 0                 | 21                         | (14)                        | 30                           |
| MarkWest Hydrocarbon, Inc.        | MarkWest Energy Partners L.P.        | 67                | 22                         | 23                          | 17                           |
| TransMontaigne Inc.               | Morgan Stanley Capital Group Inc.    | 0                 | 23                         | 51                          | 47                           |
| Kaneb Services LLC                | Valero L.P.                          | 0                 | 38                         | 34                          | 33                           |

The following information is provided in addition to the information disclosed on page 75 of the proxy statement/prospectus under the subsection entitled Premiums Paid Analysis Arms-Length MLPs:

The following table sets forth the percentage of stock or units involved in each transaction and the individual premiums for each transaction:

| Target                                  | Acquiror                           | % Stock/<br>Units | 1 Calendar<br>Day<br>Prior | 7 Calendar<br>Days<br>Prior | 30 Calendar<br>Days<br>Prior |
|---|------------------------------------|-------------------|----------------------------|-----------------------------|------------------------------|
| Pacific Energy Partners L.P.            | Plains All-American Pipeline L.P.  | 100%              | 11%                        | 10%                         | 14%                          |
| Kaneb Pipe Line Partners L.P.           | Valero L.P.                        | 100               | 21                         | 18                          | 19                           |
| GulfTerra Energy Partners L.P.          | Enterprise Products Partners L.P.  | 100               | 2                          | 4                           | 2                            |
| Santa Fe Pacific Pipeline Partners L.P. | Kinder Morgan Energy Partners L.P. | 100               | 32                         | 33                          | 40                           |

The following information is provided in addition to the information disclosed on page 76 of the proxy statement/prospectus under the subsection entitled Premiums Paid Analysis Related Party MLPs:

The following table sets forth the percentage of stock or units involved in each transaction and the individual premiums for each transaction:

| Target                          | Acquiror                          | % Stock/<br>Units | 1 Calendar<br>Day<br>Prior | 7 Calendar<br>Days<br>Prior | 30 Calendar<br>Days<br>Prior |
|---------------------------------|-----------------------------------|-------------------|----------------------------|-----------------------------|------------------------------|
| Williams Pipeline Partners L.P. | Williams Partners L.P.            | 100%              | 0%                         | (2)%                        | 4%                           |
| TEPPCO Partners L.P.            | Enterprise Products Partners L.P. | 100               | 8                          | 15                          | 33                           |
| Atlas Energy Resources, LLC     | Atlas America, Inc.               | 100               | 0                          | 8                           | 32                           |

Edgar Filing: INERGY L P - Form 424B3

Hiland Partners, L.P.

Harold Hamm

0

27

0

48

9

*Selected Trading Metrics Analysis*

The following information is provided in addition to the information disclosed on pages 76-77 of the proxy statement/prospectus under the subsection entitled Selected Trading Metrics Analysis:

The following table sets forth estimated multiples for the comparable Public GP transactions:

|                             | Equity Value as a Multiple of Cash Flow<br>Received from the Underlying<br>MLP |           | Implied GP Equity Value<br>as a Multiple of Cash<br>Flow Received from<br>Combined GP Interest |           |
|-----------------------------|--|-----------|--|-----------|
|                             | 2010   | 2011      | 2010   | 2011      |
|                             | Estimated  | Estimated | Estimated  | Estimated |
| Alliance Holdings GP, L.P.  | 20.4x  | 17.6x     | 21.9x  | 18.3x     |
| Energy Transfer Equity L.P. | 16.3x  | 14.6x     | 16.1x  | 14.2x     |
| Nustar GP Holdings, LLC     | 16.9x  |           |  |           |