

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

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

1. Name and Address of Reporting Person <sup>*</sup> <u>SHERMAN JOHN J</u>			2. Issuer Name and Ticker or Trading Symbol <u>INERGY L.P. [ NRGY ]</u>			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <p style="text-align: center;"><u>President/CEO</u></p>			
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) <u>08/10/2006</u>						
TWO BRUSH CREEK BLVD. SUITE 200			4. If Amendment, Date of Original Filed (Month/Day/Year)			6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person			
(Street)	(City)	(State)	(Zip)						
KANSAS CITY	MO	64112							
(City)	(State)	(Zip)							

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Units							2,643,0659	I	By unit purchase plan	
Common Units							789,202	I	See referenced footnote <sup>(1)</sup>	
Common Units	08/14/2006		C		986,588	A	(5)	1,861,908	I	See referenced footnote <sup>(2)</sup>
Common Units	08/14/2006		C		107,277	A	(5)	160,306	I	See referenced footnote <sup>(3)</sup>
Common Units	08/10/2006		P		2,000	A	\$26.95	68,500	I	As Trustee of the John J. Sherman Revocable Trust <sup>(4)</sup>
Common Units	08/14/2006		C		975,126	A	(6)	2,837,034	I	See referenced footnote <sup>(2)</sup>
Common Units	08/14/2006		C		798	A	(6)	161,104	I	See referenced footnote <sup>(3)</sup>

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Sr. Subordinated Units	(5)	08/14/2006		C			986,588	(5)	(5)	Common Units	986,588	(5)	0	I	See referenced footnote <sup>(2)</sup>
Sr. Subordinated Units	(5)	08/14/2006		C			107,277	(5)	(5)	Common Units	107,277	(5)	0	I	See referenced footnote <sup>(3)</sup>
Jr. Subordinated Units	(6)	08/14/2006		C			975,126	(6)	(6)	Common Units	975,126	(6)	0	I	See referenced footnote <sup>(2)</sup>
Jr. Subordinated Units	(6)	08/14/2006		C			798	(6)	(6)	Common Units	798	(6)	0	I	See referenced footnote <sup>(3)</sup>

Explanation of Responses:

- These units are held by IPCH Acquisition Corp., a wholly-owned subsidiary of Inergy Holdings L.P. (formerly Inergy Holdings, LLC). Mr. Sherman holds an ownership interest in Inergy Holdings through the John J. Sherman Revocable Trust, the John J. Sherman 2005 Grantor Retained Annuity Trusts I and II and has voting control. Mr. Sherman disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest.
- These units are held by New Inergy Propane, LLC, of which Inergy Holdings L.P. (formerly Inergy Holdings, LLC) has 100% voting control. Mr. Sherman holds an ownership interest in Inergy Holdings through the John J. Sherman Revocable Trust, the John J. Sherman 2005 Grantor Retained Annuity Trusts I and II and has voting control. Mr. Sherman disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest.
- These units are held by Inergy Holdings, L.P. (formerly Inergy Holdings, LLC). Mr. Sherman holds an ownership interest in Inergy Holdings through the John J. Sherman Revocable Trust, the John J. Sherman Grantor Retained Annuity Trusts I and II and has voting control. Mr. Sherman disclaims beneficial ownership of the reported securities except to the extent of his pecuniary interest.
- Mr. Sherman is the trustee of the John J. Sherman Revocable Trust. John Sherman is the sole beneficiary of this trust.
- On August 14, 2006, 3,821,884 Senior Subordinated Units converted to Common Units on a one-to-one basis (pro rata distribution among all holders).
- On August 14, 2006, 1,145,084 Junior Subordinated Units converted to Common Units on a one-to-one basis (pro rata distribution among all holders).

Remarks:

Contributions to the EUPP plan are used to purchase Inergy, L.P. Common Units at the end of each quarter. On January 12, 2004, the Common, Senior Subordinated and Junior Subordinated Units of Inergy, L.P. underwent a two-for-one split.

/s/ Judy Riddle (attorney-in-fact) for John J. Sherman

08/14/2006

\*\* Signature of Reporting Person

Date

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

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

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

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

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney this 22nd day of February, 2006.

/s/ John J. Sherman