

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

**FORM S-8
REGISTRATION STATEMENT**
*UNDER
THE SECURITIES ACT OF 1933*

INERGY, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

43-1918951
(I.R.S. Employer
Identification No.)

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

64112
(Zip Code)

Inergy Long Term Incentive Plan
(Full title of the plan)

Laura L. Ozenberger
Vice President -General Counsel & Secretary
Inergy, L.P.
Two Brush Creek Boulevard, Suite 200
Kansas City, MO 64112
(Name and address of agent for service)

(816) 842-8181
(Telephone number, including area code, of agent for service)

CALCULATION OF REGISTRATION FEE

Title of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee
Common Units representing limited partnership interests (1)	1,735,100(1)(2)	\$ 26.66(2)	\$ 46,257,766(3)	\$ 4,949.58

- (1) In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this registration statement covers and indeterminate amount of interests to be offered or sold pursuant to the employee benefit plan described herein.
- (2) In accordance with Rule 416 under the Securities Act of 1933, this Registration Statement also relates to such additional and indeterminate number of Common Units that may become issuable in order to prevent dilution due to unit splits or similar transactions involving Common Units.
- (3) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(h) under the Securities Act, whereby the per unit price was determined by reference to the average of the high and low price of the Common Units reported in the Nasdaq National Market on February 8, 2006.

PART I

Information Required in the Section 10(a) Prospectus

In accordance with Rule 428 under the Securities Act and the instructional note to Part I of Form S-8, the information specified in Part I of Form S-8 has been omitted from the filing of this Registration Statement with the SEC.

The documents containing the information specified in Part I of Form S-8 will be sent or given to participating employees as specified by Rule 428(b)(1) of the Securities Act. Such documents and the documents incorporated by reference herein pursuant to Item 3 of Part II hereof, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II

Information Required in the Registration Statement

Item 3. Incorporation of Documents by Reference.

The SEC allows Inergy, L.P. to “incorporate by reference” the information that it files with the SEC, which means:

- incorporated documents are considered part of this registration statement;
- we can disclose important information by referring the reader to these documents, which may be documents that we previously have filed with the SEC or that we will file with the SEC in the future; and
- information that we file with the SEC will automatically update and supersede this registration statement and any previously incorporated information.

Inergy, L.P. incorporates by reference the documents or portions of documents listed below which were filed with the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”):

- annual report on Form 10-K of Inergy, L.P. for the fiscal year ended September 30, 2005, filed with the SEC on December 13, 2005, as amended by an annual report on Form 10-K/A of Inergy, L.P. for the fiscal year ended September 30, 2005, filed with the SEC on December 14, 2005;
- quarterly report on Form 10-Q of Inergy, L.P. for the fiscal quarter ended December 31, 2005, filed with the SEC on February 9, 2006;
- current reports on Form 8-K and 8-K/A of Inergy, L.P. filed with the SEC on October 7, 2005; November 14, 2004; January 6, 2006; January 18, 2006; and January 24, 2006 (pertaining to the acquisition of Propane Gas Service, Inc.); and
- the description of Inergy, L.P.’s common units contained in the registration statement on Form 8-A filed by Inergy, L.P. with the SEC on March 15, 2001, which is incorporated into that registration statement by reference to the description of such common units set forth under the captions “Prospectus Summary,” “Cash Distribution Policy,” “Description of the Common Units,” “The Partnership Agreement” and “Tax Considerations” in the prospectus forming a part of the registration statement on Form S-1 (Reg. No. 333-56976) filed by Inergy, L.P. with the SEC on March 14, 2001, and any subsequent amendment to that registration statement filed for the purpose of updating that description.

Inergy, L.P. also incorporates by reference filings with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, that are filed with the SEC after the date of this registration statement and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

The validity of the common units of Inergy, L.P. registered pursuant to this registration statement has been passed upon by Laura L. Ozenberger, Vice President – General Counsel and Secretary of the registrant.

Item 6. Indemnification of Directors and Officers.

Section 17-108 of the Delaware Revised Uniform Limited Partnership Act empowers a Delaware limited partnership to indemnify and hold harmless any partner or other person from and against any and all claims and demands whatsoever. The Amended and Restated Agreement of Limited Partnership of Inergy, L.P., as amended, provides that Inergy, L.P. will, in most circumstances, indemnify the following persons, to the fullest extent permitted by law, from and against all losses, claims, damages or similar events:

- the general partners,
- any departing general partner,
- any person who is or was an affiliate of a general partner or any departing general partner,
- any person who is or was a member, partner, officer, director, employee, agent or trustee of the managing general partner or any departing general partner or any affiliate of a managing general partner or any departing general partner, or
- any person who is or was serving at the request of a managing general partner or any departing general partner or any affiliate of a managing general partner or any departing general partner as an officer, director, employee, member, partner, agent or trustee of another person.

Any indemnification under these provisions will only be out of Inergy, L.P.'s assets. The general partners and their affiliates will not be personally liable for, or have any obligation to contribute or loan funds or assets to Inergy, L.P. to enable Inergy, L.P. to effectuate, indemnification. Inergy, L.P. may purchase insurance against liabilities asserted against and expenses incurred by persons for its activities, regardless of whether it would have the power to indemnify the person against liabilities under its partnership agreement.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

The following Exhibits are filed as a part of this registration statement:

<u>Exhibit Number</u>	<u>Description</u>
3.1**	Certificate of Correction of Certificate of Limited Partnership of Inergy, L.P. and Certificate of Limited Partnership of Inergy, L.P. (filed as Exhibit 3.1 to Inergy L.P.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, and incorporated herein by reference).
3.2**	Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P. (filed as Exhibit 3.1 to Inergy L.P.'s Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2003, and incorporated herein by reference).
3.3**	Amendment No. 1 to Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P. (filed as Exhibit 3.1 to Inergy L.P.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2004, and incorporated herein by reference).

- 3.4** Amendment No. 2 to Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P (filed as Exhibit 3.1 to Inergy L.P.'s Current Report on Form 8-K on January 24, 2005, and incorporated herein by reference).
- 3.5** Amendment No. 3 to the Second Amended and Restated Agreement of Limited Partnership of Inergy, L.P (filed as Exhibit 3.1 to Inergy L.P.'s Current Report on Form 8-K/A on August 17, 2005 and incorporated herein by reference).
- 4.1** Specimen Unit Certificate for Common Units (filed as Exhibit 4.3 to Inergy, L.P.'s Registration Statement on Form S-1 (Reg. No. 333-56976) and incorporated herein by reference).
- 4.2** Inergy Long Term Incentive Plan (filed as Exhibit 10.1 to Inergy L.P.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2003, and incorporated herein by reference).
- 4.3* Form of Inergy Long Term Incentive Plan Unit Option Agreement.
- 5.1* Opinion of legal counsel.
- 23.1* Consent of Ernst & Young LLP.
- 24.1* Powers of Attorney (included on the signature page of this registration statement).

* Indicates document filed herewith.

** Indicates document incorporated herein by reference

Item 9. Undertakings.

A. The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereto) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

B. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

C. Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Kansas City, State of Missouri, on February 10, 2006.

INERGY, L.P.
(Registrant)

By Inergy GP, LLC
(its managing general partner)

By: /s/ Laura L. Ozenberger

Laura L. Ozenberger
Vice President - General Counsel
& Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints John J. Sherman, R. Brooks Sherman Jr. and Laura L. Ozenberger, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place, and stead, in any and all capabilities, to sign any and all pre- or post-effective amendments to this registration statement, and to file the same with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed below by the following persons in the capacities and on the dates indicated:

<u>Signatures</u>	<u>Title</u>	<u>Date</u>
<u>/s/ John J. Sherman</u> John J. Sherman	President and Chief Executive Officer and Director (Principal Executive Officer)	February 9, 2006
<u>/s/ R. Brooks Sherman, Jr.</u> R. Brooks Sherman, Jr.	Senior Vice President and Chief Financial Officer (Principal Accounting and Financial Officer)	February 9, 2006
<u>/s/ Phillip L. Elbert</u> Phillip L. Elbert	Director	February 9, 2006
<u>/s/ Warren H. Gfeller</u> Warren H. Gfeller	Director	February 9, 2006
<u>/s/ Arthur B. Krause</u> Arthur B. Krause	Director	February 9, 2006
<u>Robert A. Pascal</u> <u>/s/ Robert D. Taylor</u> Robert D. Taylor	Director	February 9, 2006

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4.3*	Form of Inergy Long Term Incentive Plan Unit Option Agreement.
5.1*	Opinion of counsel as to the legality of the securities being registered.
23.1*	Consent of Ernst & Young LLP.
23.2*	Consent of legal counsel (included in Exhibit 5.1).
24.1*	Powers of Attorney (included on the signature page of this registration statement).

* Indicates document filed herewith.

** Indicates document incorporated herein by reference

INERGY LONG TERM INCENTIVE PLAN

UNIT OPTION AGREEMENT

Date of Grant: «GrantDate»
 Vesting Commencement Date: «VestingCommencementDate»
 Number of Units to which Option Relates: «M__of_Units» («NumberofShares»)
 Option Price per Unit: \$ «ExercisePrice»
 Expiration Date: «Expiration_Date»

THIS UNIT OPTION AGREEMENT (this “Option Agreement”) is entered on «GrantDate», by and between Inergy GP, LLC, a Delaware limited liability company (“Inergy GP”), and «Name» (the “Option Holder”).

RECITALS:

A. Effective June 1, 2001, Inergy Holdings, LLC (“Holdings”) established the Inergy Long Term Incentive Plan (the “Plan”) under which Holdings could grant to employees, consultants and non-employee directors of Holdings, Inergy GP, the Partnership and their Affiliates options to acquire certain Units.

B. Effective May 1, 2002, Holdings transferred and assigned its position and title as plan sponsor of the Plan and all of its right, title and interest in all outstanding Unit Option Agreements issued under the Plan to Inergy GP.

C. The Option Holder is a Service Provider and Inergy GP desires to encourage the Option Holder to own Units and to give the Option Holder added incentive to advance the interests of the Partnership, and desires to grant the Option Holder an Option to purchase Units of the Partnership under the terms and conditions established by the Committee and as set forth within the Plan and this Agreement.

AGREEMENT:

In consideration of the mutual promises and covenants contained herein and other good and valuable consideration paid by the Option Holder to Inergy GP or its Affiliates, the Option Holder and Inergy GP agree as follows:

Section 1. Incorporation of Plan

All provisions of the Option Agreement and the rights of the Option Holder hereunder are subject in all respects to the provisions of the Plan and the powers of the Committee therein provided. Capitalized terms used in this Agreement but not defined shall have the meanings set forth in the Plan.

Section 2. Grant of Unit Option

As of the Date of Grant identified above, Inergy GP grants to the Option Holder, subject to the terms and conditions set forth herein and in the Plan, the right, privilege, and option (the “Option”) to purchase that number of Units identified above opposite the heading “Number of Units to Which Option Relates”, at the per Unit price specified above opposite the heading “Option Price per Unit.”

Section 3. Exercisability

Except as provided in Sections 3(a) and 3(b) below and subject to Section 3(c) below, the Option shall become exercisable in full on the fifth (5th) anniversary of the Vesting Commencement Date identified above opposite the heading "Vesting Commencement Date" and prior to this fifth (5th) anniversary, no portion of the Option shall be exercisable. Notwithstanding the above, in the event of a Change in Control, the Option shall become immediately exercisable in full.

(a) In the event that the Option Holder ceases to be a Service Provider because of the Option Holder's death or Disability, the percentage of the Option that becomes exercisable as a result of such death or Disability will be determined according to the following schedule based upon the number of years that have elapsed from the Vesting Commencement Date to the date of such event (and the remaining percentage of the Option, if any, shall be void for all purposes):

<u>Anniversary From Option's Vesting Commencement Date</u>	<u>Percentage Exercisable</u>
1st	40%
2nd	60%
3rd	80%
4th and beyond	100%

(b) In the event that the Option Holder ceases to be a Service Provider because of termination of the Option Holder's service by Inergy GP or one of its Affiliates without Cause, the percentage of the Option that becomes exercisable as a result of such termination will be determined according to the following schedule based upon the number of years that have elapsed from the Vesting Commencement Date to the date of such termination (and the remaining percentage of the Option, if any, shall be void for all purposes):

<u>Anniversary From Option's Vesting Commencement Date</u>	<u>Percentage Exercisable</u>
1st	20%
2nd	40%
3rd	60%
4th	80%
5th and beyond	100%

(c) Notwithstanding the number of years that have elapsed from the Vesting Commencement Date, in no event may any portion of the Option be exercisable prior to the end of the Subordination Period for all of the Senior Subordinated Units (as such terms are defined in the Partnership Agreement) except upon a Change in Control.

Section 4. Method of Exercise

Provided the Option has not expired, been terminated or cancelled in accordance with the terms of the Plan, the Option, to the extent exercisable, may be exercised in whole or in part, from time to time by delivery to Inergy GP a written notice in substantially the same form as the Notice of Exercise attached hereto which shall:

- (a) set forth the number of Units with respect to which the Option is to be exercised (such number must be in a minimum amount of ten Units);
- (b) if the person exercising the Option is not the Option Holder, be accompanied by satisfactory evidence of such person's right to exercise the Option; and

- (c) be accompanied by payment in full of the Option Price (and any necessary tax withholding) in the form of cash, or a certified bank check made payable to the order of Inergy GP or any other means allowable under the Plan and acceptable to the Committee which Inergy GP in its sole discretion determines will provide legal consideration for the Units.

Section 5. Expiration of Option

Unless terminated earlier in accordance with the terms of this Agreement, the Option granted herein shall expire at 5:00 P.M., Kansas City, Missouri time, on the Expiration Date identified above opposite the heading "Expiration Date."

Section 6. Effect of Separation from Service

(a) The Option shall be void for all purposes in the event that the Option Holder ceases to be a Service Provider prior to the fifth (5th) anniversary of the Vesting Commencement Date for any reason other than (i) the Option Holder's death, (ii) the Option Holder's Disability, or (iii) the termination of Option Holder's employment by Inergy GP or one of its Affiliates without Cause.

(b) In the event that the Option Holder ceases to be a Service Provider because of the Option Holder's death, Disability, retirement, voluntary resignation or termination of employment by Inergy GP or one of its Affiliates with or without Cause, the Option may be exercised by the Option Holder or the Option Holder's Beneficiaries within the periods of time following the Option Holder's cessation of service set forth below.

(i) Termination/Removal for Cause. In the event the Option Holder ceases to be a Service Provider within the Option Period due to the termination of the Option Holder's service (or removal as a non-employee director) for Cause, the Option, regardless of whether it is then exercisable, shall immediately expire and be void for all purposes.

(ii) Retirement. In the event that the Option Holder ceases to be a Service Provider in a manner determined by the Committee, in its sole discretion, to constitute retirement, the Option, to the extent then exercisable, may be exercised by the Option Holder within twelve months following the date of the Option Holder's retirement. In the event that the Option Holder retires while the Option is prohibited from being exercised solely because the Subordination Period for all of the Senior Subordinated Units has not yet ended, the Option will remain exercisable (only to the extent the Option would otherwise have been exercisable at the time of the Option Holder's retirement) for a period of six months following the end of the Subordination Period for all of the Senior Subordinated Units or a period of twelve months following the Option Holder's retirement, whichever ends later. If the Option Holder dies within this post-employment exercise period, the Option may be exercised by those Beneficiaries entitled to do so solely within the time period that the Option Holder could have exercised the Option if the Option Holder were still alive, including any extensions due to the Subordination Period for all of the Senior Subordinated Units having not yet ended.

(iii) Death. In the event that the Option Holder dies while he or she is a Service Provider, the Option, to the extent exercisable, may be exercised by the Option Holder's Beneficiaries entitled to do so within twelve months following the date of the Option Holder's death. In the event that the Option Holder dies while the Option is prohibited from being exercised because the Subordination Period for all of the Senior Subordinated Units has not yet ended, the Option will remain exercisable (only to the extent the Option was exercisable at the time of the Option Holder's death) for a period of six months following the end of the Subordination Period for all of the Senior Subordinated Units or twelve months following the Option Holder's death, whichever is longer.

(iv) **Disability.** In the event that the Option Holder becomes Disabled while he or she is a Service Provider, the Option, to the extent then exercisable, may be exercised by the Option Holder within twelve months following the date of the Option Holder's Disability. In the event that the Option is prohibited from being exercised solely because the Subordination Period for all of the Senior Subordinated Units has not yet ended, the Option Holder may exercise the Option (only to the extent the Option would otherwise have been exercisable at the time of the Disability) for a period of six months following the end of the Subordination Period for all of the Senior Subordinated Units or twelve months following the date of the Option Holder's Disability, whichever ends later. If the Option Holder dies within this post-employment exercise period, the Option may be exercised by those Beneficiaries entitled to do so solely within the time period that the Option Holder could have exercised the Option if the Option Holder were still alive, including any extensions due to the Subordination Period for all of the Senior Subordinated Units having not yet ended.

(v) **Termination Without Cause or Voluntary Resignation.** In the event that the Option Holder ceases to be a Service Provider because of (A) the Option Holder's voluntary resignation, or (B) the termination of the Option Holder's service (or the removal of the Option Holder from the Board) by the Option Holder's employer without Cause, the Option, to the extent then exercisable, may be exercised by the Option Holder within six months following the date of the Option Holder's cessation of service. In the event that the Option is prohibited from being exercised solely because the Subordination Period for all of the Senior Subordinated Units has not yet ended, the Option Holder may exercise the Option (only to the extent the Option would otherwise have been exercisable at the time of the Option Holder's cessation of service) for a period of six months following the end of such Subordination Period. If the Option Holder dies within this post-employment exercise period, the Option may be exercised by those Beneficiaries entitled to do so solely within the time period that the Option Holder could have exercised the Option if the Option Holder were still alive, including any extensions due to the Subordination Period for all of the Senior Subordinated Units having not yet ended.

(c) Notwithstanding anything to the contrary herein, in no event may the Option be exercised after 5:00 P.M., Kansas City, Missouri time, on the Expiration Date identified above opposite the heading "Expiration Date."

Section 7. Investment Intent.

The Option Holder agrees that the Units acquired on exercise of the Option shall be acquired for the Option Holder's own account for investment only and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the 1933 Act or other applicable securities laws. If the Committee so determines, any ownership certificates issued upon exercise of the Option shall bear a legend to the effect that the Units have been so acquired. The Partnership may, but in no event shall be required to, bear any expenses of complying with the 1933 Act, other applicable securities laws or the rules and regulations of any national securities exchange or other regulatory authority in connection with the registration, qualification, or transfer, as the case may be, of the Option or any Units acquired upon the exercise thereof. The foregoing restrictions on the transfer of the Units shall be inoperative if (a) the Partnership previously shall have been furnished with an opinion of counsel, satisfactory to it, to the effect that such transfer will not involve any violation of the 1933 Act and other applicable securities laws or (b) the Units shall have been duly registered in compliance with the 1933 Act and other applicable state or federal securities laws. If the Option, or the Units subject to the Option, are so registered under the 1933 Act, the Holder agrees that he will not make a public offering of the said Units except on a national securities exchange on which the Units are then listed.

Section 8. Nontransferability of Option

No portion of the Option granted hereunder may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will, by the laws of descent and distribution. All rights with respect to the Option granted to the Option Holder shall be available during the Option Holder's lifetime only to the Option Holder.

Section 9. Status of Option Holder

The Option Holder shall not be deemed a limited partner of the Partnership with respect to any of the Units subject to the Option, except to the extent that such Units shall have been purchased and issued to him or her. Inergy GP shall not be required to issue or transfer any certificates for Units purchased upon exercise of the Option until all applicable requirements of law have been complied with and such Units shall have been duly listed on any securities exchange on which the Units may then be listed.

Section 10. No Effect on Capital Structure

The Option shall not affect the right of Inergy GP, Holdings, the Partnership, or any Affiliate thereof to reclassify, recapitalize or otherwise change its capital or debt structure or to merge, consolidate, convey any or all of its assets, dissolve, liquidate, windup, or otherwise reorganize.

Section 11. Adjustments

Notwithstanding any provision herein to the contrary, in the event of any change in the number of outstanding Units effected without receipt of consideration therefor by the Partnership, by reason of a merger, reorganization, consolidation, recapitalization, split-up, split-off, liquidation, Unit dividend, Unit split, Unit combination or other change in the capital structure of the Partnership affecting the Units, the aggregate number of Units subject to the Option and the exercise price of the Option shall be automatically adjusted to accurately and equitably reflect the effect thereon of such change; provided, however, that any fractional Unit resulting from such adjustment shall be eliminated. In the event of a dispute concerning such adjustment, the decision of the Committee shall be conclusive.

Section 12. Acknowledgement of Rights of Inergy GP in Event of Change of Control, Reorganization, Liquidation, Etc.

By executing the Option Agreement, the Option Holder agrees and acknowledges that in the event that Inergy GP, Holdings, the Non-Managing GP or the Partnership undergoes a Change in Control, or in the event Inergy GP, Holdings, the Non-Managing GP or the Partnership shall become a party to any partnership or corporate merger, consolidation, major acquisition of property for stock, separation, reorganization, liquidation or other similar type of corporate event, the Committee may take any of the actions as provided for in Section 6 of the Plan without obtaining Partnership approval or the Option Holder's consent.

Section 13. Committee Authority

Any questions concerning the interpretation of the Option Agreement, any adjustments required to be made under Sections 11 or 12 of the Option Agreement, and any controversy which arises under the Option Agreement shall be settled by the Committee in its sole discretion.

Section 14. Withholding

The Option Holder agrees to make appropriate arrangements with Inergy GP or one of its Affiliates for satisfaction of any applicable minimum Federal, state or local income tax or payroll tax withholding requirements or like requirements, including the payment to Inergy GP at the time of exercise of an Option of all such taxes and requirements.

Section 15. Notice

Whenever any notice is required or permitted hereunder, such notice must be in writing and personally delivered or sent by mail. Any notice required or permitted to be delivered hereunder shall be deemed to

be delivered on the date which it was personally delivered, or, whether actually received or not, on the third business day after it is deposited in the United States mail, certified or registered, postage prepaid, addressed to the person who is to receive it at the address which such person has theretofore specified by written notice delivered in accordance herewith. Inergy GP or Option Holder may change, at any time and from time to time, by written notice to the other, the address previously specified for receiving notices. Until changed in accordance herewith, Inergy GP and the Option Holder specify their respective addresses as set forth below:

Inergy GP: Inergy GP, LLC
Two Brush Creek Boulevard
Kansas City, Missouri 64112
Attention: Laura L. Ozenberger

Option Holder: «Name»
«Address_1»
«City_», «State» «Zip»

Section 16. Binding Effect

The Option Agreement shall bind, and, except as specifically provided herein, shall inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

Section 17. Governing Law

The Option Agreement and the rights of all persons claiming hereunder shall be construed and determined in accordance with the laws of the State of Delaware.

IN WITNESS WHEREOF, Inergy GP has caused this Agreement to be executed and the Option Holder has hereunto set the Option Holder's hand on the day and year first above written.

INERGY GP, LLC

By: _____
John J. Sherman, President

«Name»

February 10, 2006

Inergy, L.P.
Two Brush Creek Boulevard, Suite 200
Kansas City, Missouri 64112

Re: Inergy, L.P.
Registration Statement on Form S-8

Ladies and Gentlemen:

I am Vice President -General Counsel and Secretary of Inergy GP, LLC, the managing general partner of Inergy L.P., a Delaware limited partnership (the "Partnership"), and, as such, am familiar with the proceedings taken by the Board of Directors of the managing general partner of the Partnership with respect to the approval and adoption of the Inergy Long Term Incentive Plan (the "Plan"), and related matters. At the request of the Partnership, I am furnishing this opinion letter to you in connection with the registration under the Securities Act of 1933, as amended (the "Act"), of 1,735,100 common units (the "Common Units") representing limited partner interests in the Partnership, which Common Units are proposed to be offered pursuant to the Plan.

As the basis for the opinions hereinafter expressed, I have examined the Plan, the Partnership's registration statement on Form S-8 (the "Registration Statement") to be filed on or about the date hereof with the Securities and Exchange Commission under the Act, the Second Amended and Restated Agreement of Limited Partnership, as amended, of the Partnership (the "Partnership Agreement"), and such other instruments and documents as I have deemed necessary or appropriate for purposes of the opinions expressed in this letter. In addition, I have reviewed certain certificates of officers of the general partner of the Partnership and of public officials, and I have relied on such certificates with respect to certain factual matters that I have not independently established.

Based upon the foregoing and subject to the limitations and assumptions set forth herein, I am of the opinion that:

1. The Partnership has been duly formed and is validly existing as a limited partnership under the Delaware Revised Uniform Limited Partnership Act.
2. All of the Common Units to be offered by means of the Registration Statement have been duly authorized in accordance with the Partnership Agreement and, if and when such Common Units are issued in the manner permitted by the Plan, such Common Units will be legally issued and fully paid and non-assessable, except as such non-assessability may be affected by 17-607 of the Delaware Revised Uniform Limited Partnership Act.

The opinions expressed herein are qualified in the following respects:

- (A) I have assumed that (i) each document submitted to me for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original and all signatures on each such document are genuine, and (ii) each certificate from governmental officials reviewed by me is accurate, complete and authentic, and all official public records are accurate and complete.
- (B) The opinions expressed in this letter are limited in all respects to the laws of the United States of America and the Delaware Revised Uniform Limited Partnership Act.

I hereby consent to the filing of this letter as an exhibit to the Registration Statement and further consent to the use of my name in Item 5 of Part II of the Registration Statement. In giving this consent, I do not admit that I am

within the category of persons whose consent is required by Section 7 of the Securities Act of 1933 or other rules and regulations of the Securities and Exchange Commission issued thereunder.

Respectfully submitted,

/s/ Laura L. Ozenberger

Vice President - General Counsel
& Secretary

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 pertaining to the Inergy Long Term Incentive Plan of our reports (a) dated December 8, 2005, with respect to the consolidated financial statements and schedule of Inergy, L.P. and Subsidiaries for the year ended September 30, 2005, Inergy, L.P. management's assessment of the effectiveness of internal control over financial reporting, and the effectiveness of internal control over financial reporting of Inergy, L.P. included in its Annual Report (Form 10-K), and (b) dated December 8, 2005 with respect to the balance sheet of Inergy GP, LLC as of September 30, 2005 included in Inergy, L.P.'s Current Report (Form 8-K/A) dated January 6, 2006, both filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Kansas City, Missouri
February 6, 2006