

SHERMAN JOHN J  
Form 4  
November 09, 2010

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
SHERMAN JOHN J

(Last) (First) (Middle)  
TWO BRUSH CREEK  
BOULEVARD, SUITE 200  
(Street)

KANSAS CITY, MO 64112

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
INERGY L P [NRGY]

3. Date of Earliest Transaction  
(Month/Day/Year)  
11/05/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
President/CEO

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**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)
Common Units	11/05/2010		A	345,661	A <u>(1)</u> 345,661	I	As Trustee of the John J. Sherman 2005 GRAT I <u>(2)</u>
Common Units	11/05/2010		A	10,637,454	A <u>(1)</u> 10,776,324	I	As Trustee of the John J. Sherman Revocable Trust <u>(3)</u>
Common Units	11/05/2010		A	5,477	D <u>(4)</u> 10,840	I	By Employee

								Unit Purchase Plan <u>(5)</u>	
Common Units						5,393,4146	I	By Employee Unit Purchase Plan <u>(5)</u>	
Common Units	11/05/2010		D	789,202	D	<u>(6)</u>	0	I	See Footnote <u>(6)</u>
Common Units	11/05/2010		D	2,837,034	D	<u>(7)</u>	0	I	See Footnote <u>(7)</u>
Common Units	11/05/2010		D	1,080,453	D	<u>(8)</u>	0	I	See Footnote <u>(8)</u>
Common Units							14,998	D	

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

**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 control number.**

SEC 1474  
(9-02)

**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 Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Class B Units	<u>(9)</u>	11/05/2010		A	7,091,636	<u>(9)</u>	<u>(9)</u>	Common Units	7,091,636
Class B Units	<u>(9)</u>	11/05/2010		A	230,441	<u>(9)</u>	<u>(9)</u>	Common Units	230,441

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHERMAN JOHN J TWO BRUSH CREEK BOULEVARD, SUITE 200 KANSAS CITY, MO 64112	X		President/CEO	

## Signatures

/s/ Michael K. Post (attorney-in-fact) for John Sherman 11/09/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* 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).

(1) Acquired pursuant to the First Amended and Restated Agreement and Plan of Merger, dated as of September 3, 2010 (the "Merger Agreement"), by and among Inergy, L.P. ("Inergy"), Inergy GP, LLC, Inergy Holdings, L.P. ("Holdings"), Inergy Holdings GP, LLC, NRGP Limited Partner, LLC and NRGP MS, LLC. Acquired 7,322,077 Class B units in Inergy and 11,011,990 common units representing limited partner interests in Inergy on November 5, 2010 pursuant to the Merger Agreement in exchange for 23,810,478 Holdings common units. On the effective date of the merger, the closing sales price of Holdings common units on the NYSE was \$30.71, and the closing sales price of Inergy common units on the NYSE was \$39.95 per unit.

(2) Mr. Sherman is a trustee of the John J. Sherman 2005 Grantor Retained Annuity Trust I.

(3) Mr. Sherman is the trustee of the John J. Sherman Revocable Trust. John Sherman is the sole beneficiary of this trust.

(4) Represents Inergy common units held in the Inergy Employee Unit Purchase Plan ("EUPP") acquired pursuant to the Merger Agreement in exchange for 7,112 Holdings common units held in the Holdings Employee Unit Purchase Plan.

(5) Represents common units held in the EUPP. Contributions to the EUPP are used to purchase Inergy common units at the end of each quarter.

(6) These Inergy common units were held by IPCH Acquisition Corp. ("IPCH"), which was a wholly owned subsidiary of Holdings. On November 5, 2010, pursuant to the Merger Agreement, these common units were converted into 847,415 Class A units in Inergy, and IPCH became a wholly owned subsidiary of Inergy.

(7) These Inergy common units were held by Inergy Partners, LLC ("Inergy Partners"), which was controlled by Holdings. On November 5, 2010, pursuant to the Merger Agreement, these common units and the general partner interest in Inergy held by Inergy Partners were converted into 4,019,837 Class A units in Inergy, and Inergy Partners became a wholly owned subsidiary of Inergy.

(8) These Inergy common units were held by Holdings. On November 5, 2010, pursuant to the Merger Agreement, these common units were distributed to former Holdings unitholders as part of the merger consideration.

(9) The Class B units will convert automatically into common units on a one-for-one basis, with 50% of the outstanding Class B units converting into common units following the payment date of the fourth quarterly distribution following the closing of the merger and the remaining outstanding Class B units converting into common units following the payment date of the eighth quarterly distribution following the closing of the merger.

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

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