



INERGY

2009 MLP

Investor Conference

September 16-17, 2009

Forward Looking Statements



Nasdaq: NRGY, NRGP

Except for the historical information contained herein, the matters discussed in this presentation (e.g., our growth outlook and forecasted economics) are forward-looking statements that involve risks and uncertainties. These risks and uncertainties include, among other things, market conditions, weather risks and other factors discussed in the Company's filings with the Securities and Exchange Commission including Forms 10-K, 10-Q, and 8-K.

Furthermore, any forward-looking statements presented are expressed in good faith and are believed to have a reasonable basis as of the date of this presentation. Inergy assumes no responsibility to update this information and it may be superseded by later information.

Forward-looking statements are not guarantees of future performance or an assurance that our current assumptions and projections are valid. Actual results may differ materially from those projected.





Inergy Overview

Investment Highlights



Income

- **Dual Platform Operating Strategy**
 - A Leading National Propane Franchise
 - Fee-based Midstream Business Anchored by Northeast U.S. Gas Storage
- **Strong Financial Performance Record**

Growth

- **Robust Pipeline of Midstream Expansion Projects Underway**
 - Midstream Energy Storage Platform Rapidly Becoming a Larger Component of Business
- **Leading Consolidator of Retail Propane Industry**
- **Record of Consistent EBITDA & Distributable Cash Flow Growth**

Safety

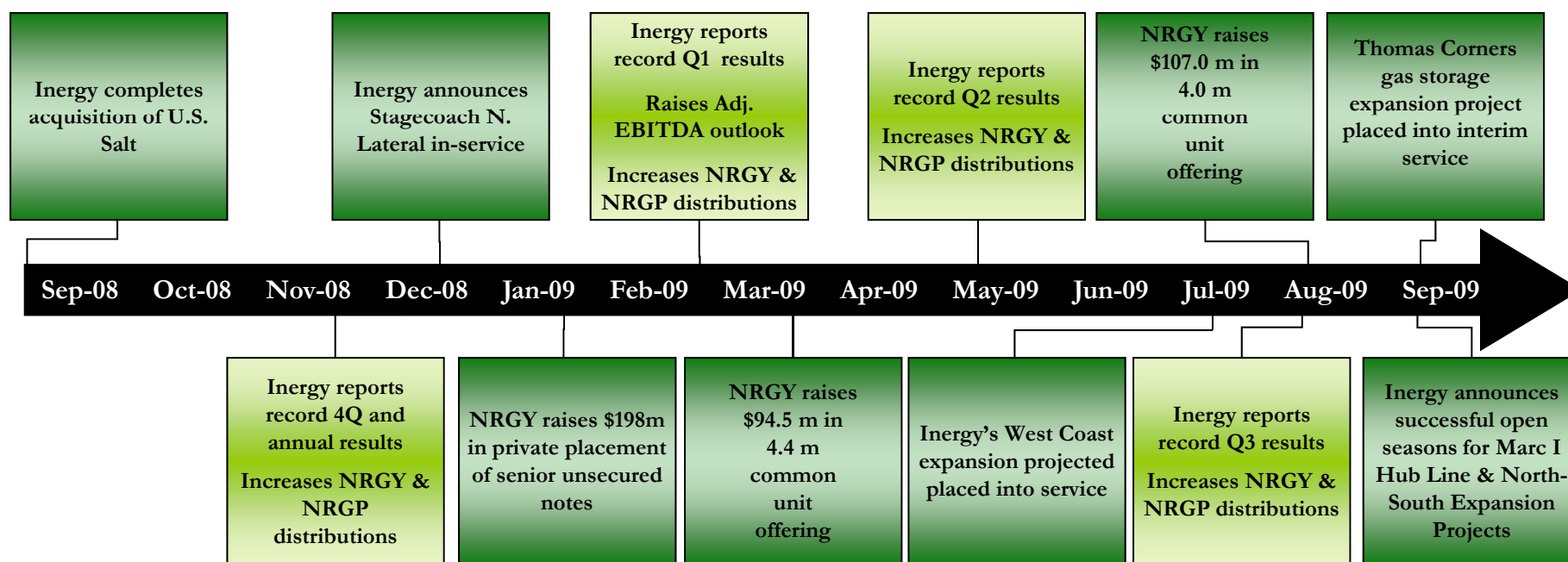
- **Underlying Businesses Characterized by Recession Resistant Stable Cash Flows**
- **Strong Balance Sheet and Distribution Coverage**
- **Recent Capital Markets Activity Provides Ample Balance Sheet Liquidity to Execute on High-Return Expansion Projects**

Delivering Results



Inergy continues to deliver distinguished operational and financial performance despite a challenging economic backdrop

- NRGY & NRGP raised distributions each quarter
- Raised \$400 million in debt and equity capital in challenging capital markets environment
- Delivers record results in all quarters
 - Increased Adj. EBITDA >25% YoY
- Visible distribution growth driven by robust pipeline of organic expansion opportunities



Inergy Snapshot



Inergy, L.P. is a geographically diverse retail propane and midstream energy business

– ~\$3.5 billion combined partnership enterprise value with over \$296 million TTM EBITDA^(a)

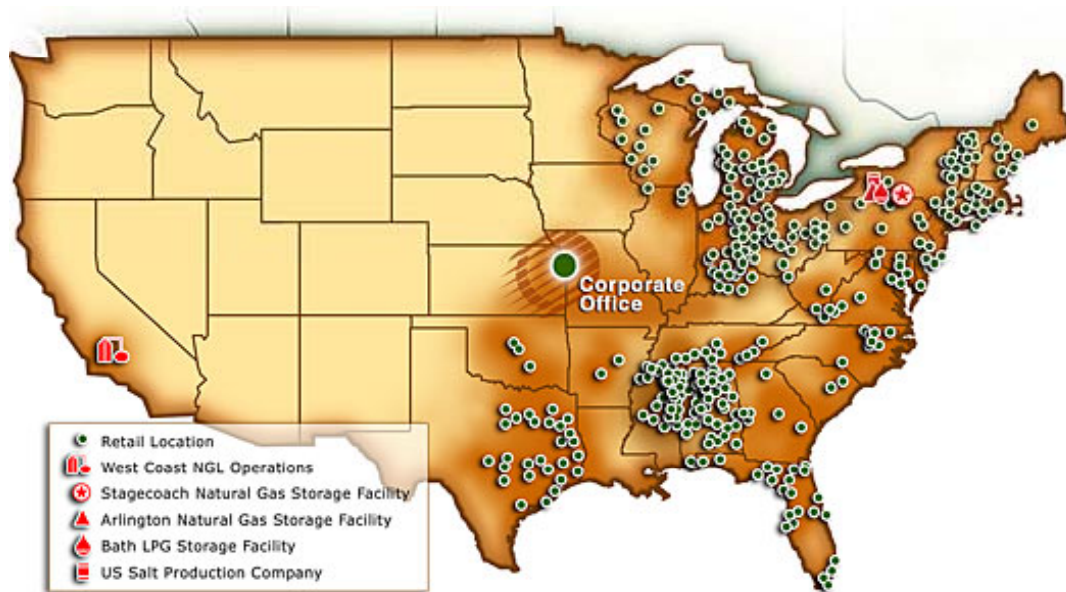
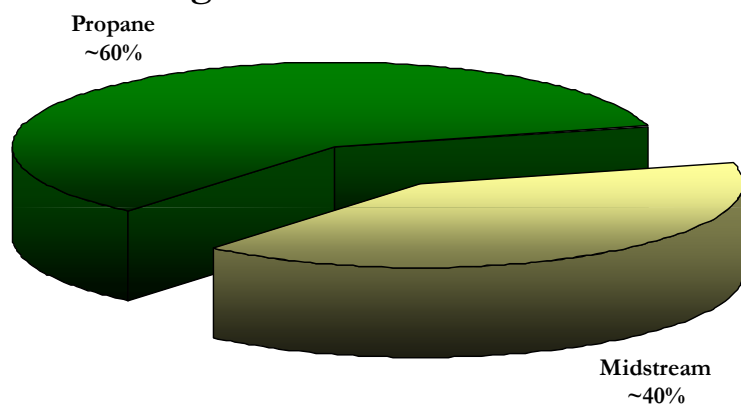
Propane

- 5th largest retail propane distributor serving ~700,000 customers in 28 states
- Footprint located in quality markets with an intense focus on delivering financial and operational performance
- Supported by experienced supply, transportation, and logistics group based in KC

Midstream

- 40 Bcf high-deliverability natural gas storage operations located in New York, expandable to over 50 Bcf
- Leading provider of underground LPG storage in the Northeastern U.S.
- Industry-leading solution mining and salt production company in upstate New York
- NGL fractionation, storage, and terminalling operation strategically located on the West Coast

Segment EBITDA Mix ^(b)



(a) TTM Adjusted EBITDA as of June 30, 2009. Enterprise value as of September 11, 2009.

(b) Forecast run rate 2010 EBITDA.

Deliver Operational Excellence

- **Further Enhance the Operation of an Outstanding Propane Franchise**
 - Maintain flexible operating model in attractive markets
 - Deliberate focus on residential customer base with high tank control
- **Premier Service Provider in Core Midstream Markets**
 - Midstream operations virtually all fee-based; long-term contract-driven cash flow
 - Executing toward an integrated energy storage hub in the Northeast with access to all major pipelines and over 50 Bcf of gas storage



Disciplined Capital Investment

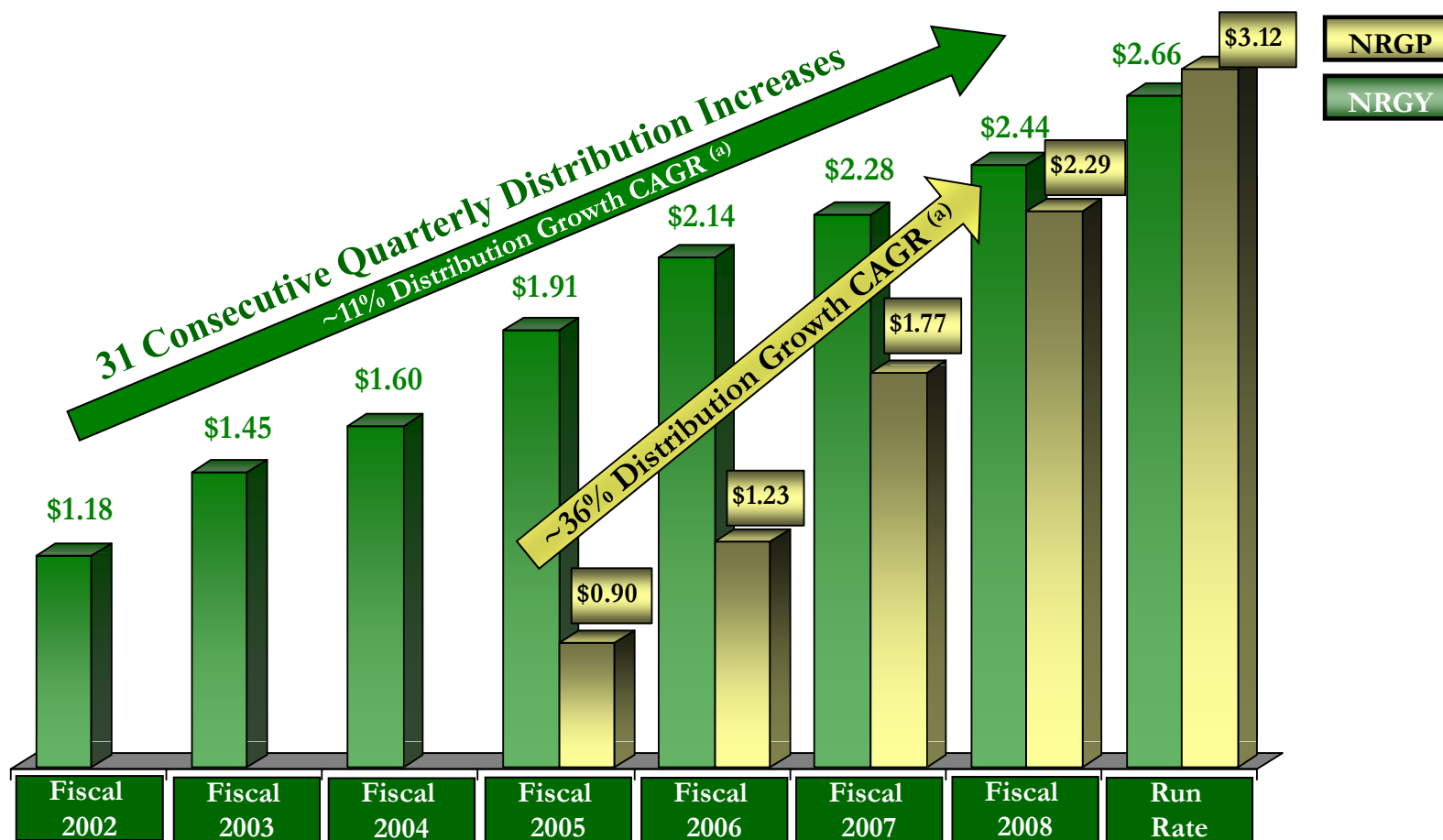
- **Continue Growth Through Capital Expansion Projects & Acquisitions**
 - **Propane** - Expand existing retail footprint and establish new footprints with top regional businesses
 - **Midstream** - Execute capital expansion projects around existing asset base
 - Pursue and evaluate complementary midstream opportunities
 - Seek to further strengthen the long-term growth profile with stable, fee-based cash flow streams

Distinguished Distribution Performance



Two Securities Offer a Compelling Combination of Income & Growth

Energy has consistently grown cash distributions & maintained strong coverage ratios



(a) Annualized paid distributions.



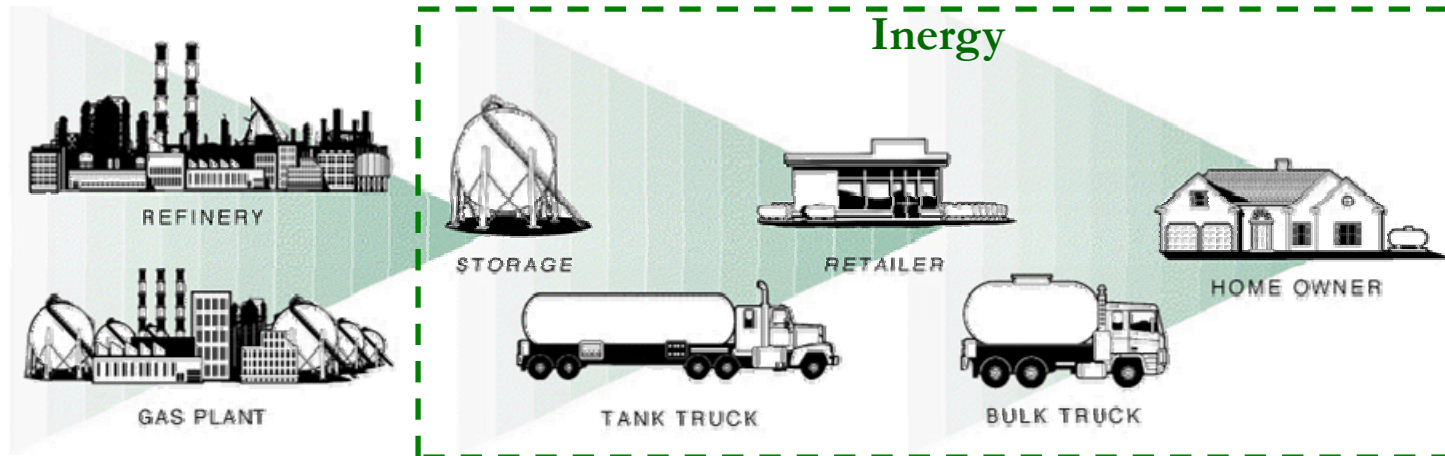
Propane Operations

Propane Value Chain



Propane represents about 4% of household energy consumption in the US.

Fundamental
Supply



Fundamental
Demand

- **Propane is a basic necessity to many consumers**
 - Propane is clean burning and generally characterized by a stable demand base
 - Propane is transported to customers beyond the natural gas distribution network
 - Customers use propane to heat homes, cook food, heat water and run appliances
 - Typically propane has a comfort and/or economic advantage to electricity
- **Inergy competes in the storage, transportation, and distribution areas of the value chain**

Propane Business



● A leading national propane business

- Outstanding geographic footprint in high quality markets
- Consistent financial performance
- Cost + margin service provider with little commodity price risk exposure
- Successful integration of 78 propane acquisitions

● Focus on residential and commercial segments and tank control

- Residential (90% tank control) 70 %
- Industrial/Commercial 23 %
- Ag/Other 7 %

● Centralized supply, transportation, & logistics business

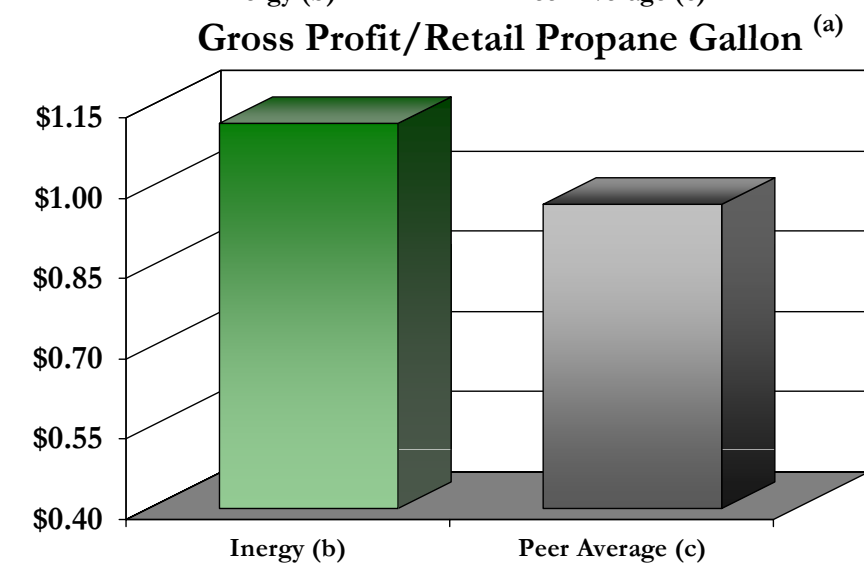
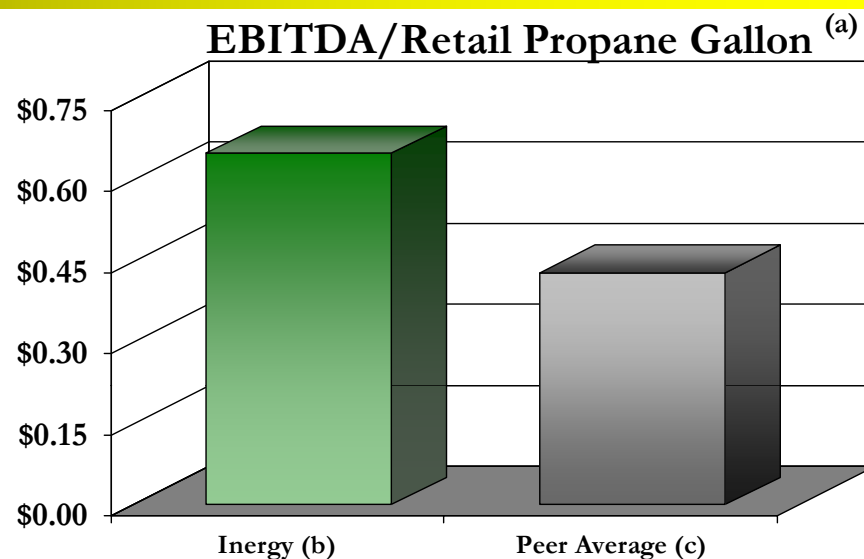
- Consolidates buying power & leverages across entire propane platform
- Lowers cost, protects margins, reduces risk
- Large transport fleet increases supply security during peak demand season



Superior Operating Performance



- Business model lends itself to better pricing and operational decision-making
- Intense focus on retail margin and opex savings drives value to cash flow line
- Strong supply and procurement business reduces risk and protects margins

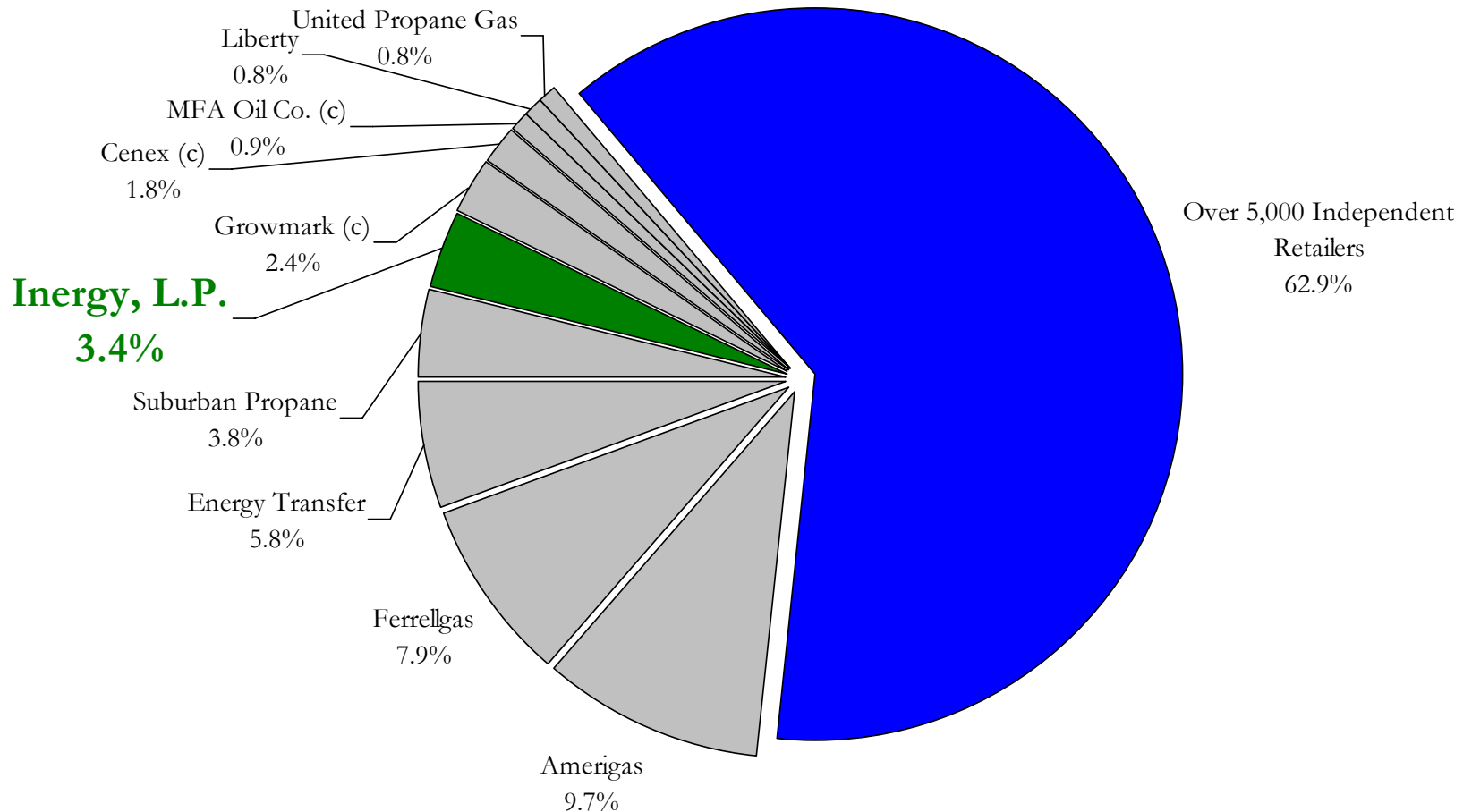


- (a) Source: most recent 10-K & 10-Q filings. Data includes gross profit & EBITDA from propane operations.
- (b) Inergy's EBITDA and gross profit exclude i) non-cash gains or losses on derivative contracts associated with fixed price sales to retail propane customers, ii) non-cash compensation expenses, and iii) gains or losses on the disposal of assets as disclosed in SEC filings.
- (c) Peer average includes: APU, ETP, FGP, and SPH.

Consolidation Opportunities



Domestic Retail Market for LPG is Approximately 10.2 Billion Gallons (a)



Top 10 Propane Retailers Control ~37% of Market Share (b)

(a) Source: December 2008 American Petroleum Institute Report.
(b) Source: February 2009 LPGas Magazine.
(c) Cooperatives.



Midstream Operations

Midstream Business



Stable Fee-Based Cash Flows

- Stable, fee-based cash flow profile with virtually no commodity price exposure
- Growing business representing an increasing percentage of Inergy's run-rate EBITDA
- NE Midstream assets 100% contracted with long-term agreements

High Quality Assets

- Newly constructed core energy infrastructure in the Northeast in the heart of the Marcellus Shale
- Strategically located, state-of-the-art West Coast NGL operation

High Return Capital Expansion Opportunities

- Assets have capital expansion opportunities which further enhance financial returns and support distribution growth
- Well positioned to seek additional midstream growth via acquisition

West Coast NGL Operations



- **Strategically located near Bakersfield, CA between major West Coast refining centers**

- **Operations include:**

- LPG storage
- Butane isomerization
- NGL fractionation
- State-of-the-art transportation, terminaling
- Liquids marketing

- **Significant capital expansion completed July 2009**



US Salt Operations



In August 2008, Inergy purchased US Salt located in Watkins Glen, NY.

High Quality Assets

- Strategically located 25 miles east of Inergy's Bath LPG storage facility; complimentary to existing midstream platform
- Provides significant sustained source of growth in energy storage platform

Stable Economic Return

- Stable, recession resistant cash flow business
- Produces over 300k tons of high-quality, high-margin food, pharmaceutical, and chemical feedstock grade salt
- Predominantly contracted volumes-strong customer base

Continued Strategic Growth Opportunities

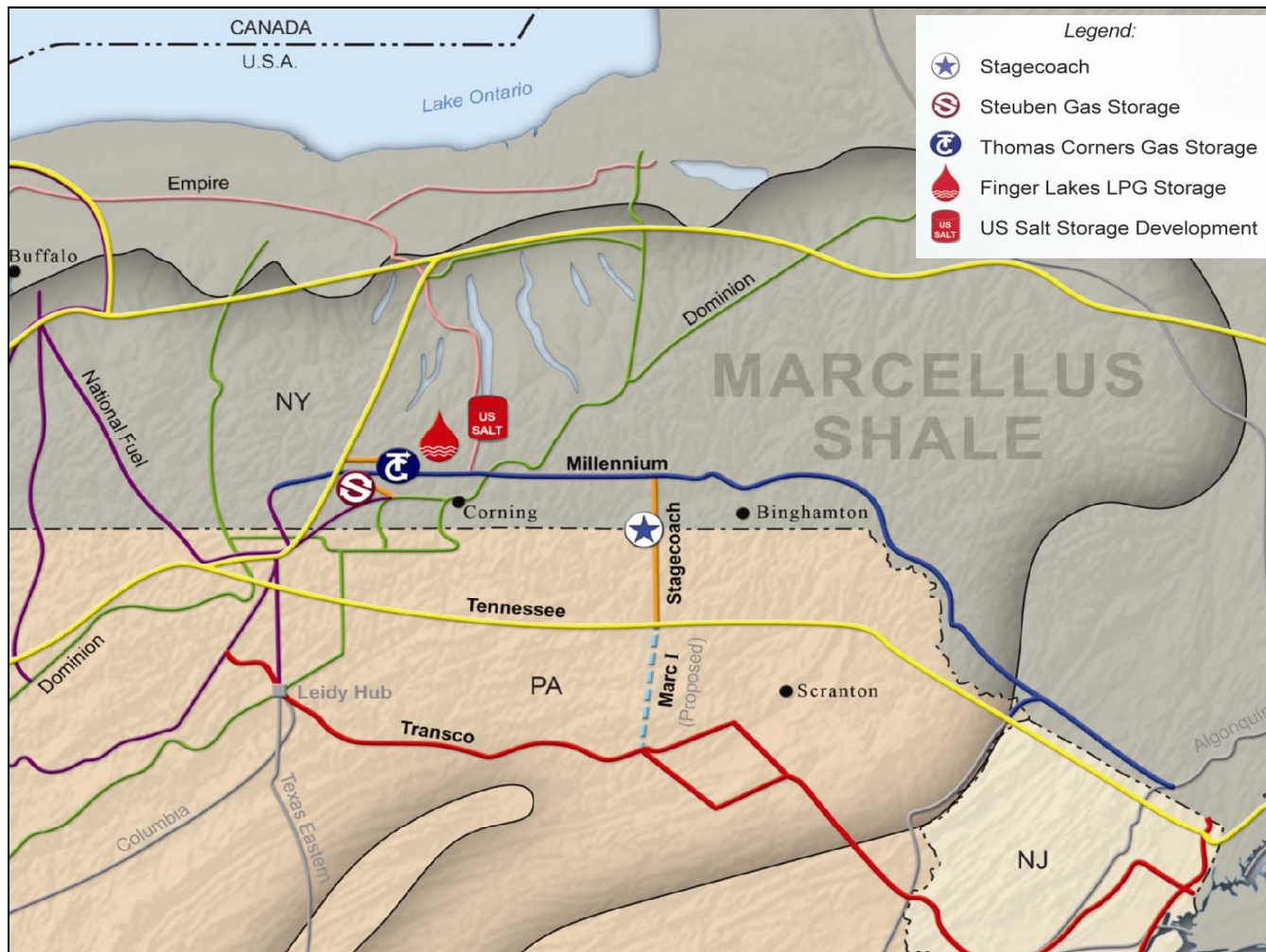
- Provides immediate storage expansion capability
- LPG storage expansion underway
- Geophysical work on gas storage expansion in progress



Integrated Northeast Storage Hub



Midstream assets strategically located atop the prolific Marcellus Shale



- Potential for over 50 Bcf of working gas storage capacity contained in an ~40 mile radius within 200 miles of New York City
- Largest independent natural gas storage operator in NE
- Abundant interconnections available
- Enhanced commercial opportunities exist from leveraging exceptional platform
- Executing towards an integrated NE storage hub

Storage & Transportation Expansion Opportunities



2010 & 2011 Projects

● Thomas Corners Natural Gas Storage

- Developing 7.0 Bcf working gas storage capacity
- Connections to TGP, Millennium, and Corning Natural Gas pipelines
- 100% contracted with 5 year term agreements
- Currently in interim service—expected to be fully operational Spring 2010

● Finger Lakes LPG Storage (Watkins Glen)

- Developing 5 million barrels of LPG storage
- Readily connected to Teppco pipeline, rail and truck access
- Long-term contract signed with an investment-grade anchor tenant
- Expected in-service Spring 2010

● Marc I Hub Line / North-South Project

- 43 mile 30-36 inch bi-directional gas pipeline located atop the Marcellus Shale provides wheeling opportunities between TGP, Millennium, Transco and all points in between
- North-South Project includes additional compression and measurement facilities to serve shippers seeking to wheel gas on a firm basis through Inergy's existing North and/or South Laterals of Stagecoach
- Expected in-service Fall 2011

Future Projects

● US Salt Gas Storage

- Geotechnical work underway on 5 Bcf working natural gas storage available for development with additional ~5 Bcf of potential capacity on the same property
- Regular solution mining operations add ~1 Bcf of capacity annually

Visible Growth Outlook



- Planned midstream expansion projects generate substantial fuel for distribution growth

Planned Expansion Projects		Total Capital Investment	Estimated NRGY Accretion ^(a) ^(b)	Estimated NRGP Accretion ^(a) ^(b)
2010 & 2011 Projects	Thomas Corners	\$94 m	\$0.30 - \$0.36 (11% - 14%)	\$1.36 - \$1.45 (44% - 47%)
	US Salt – LPG Expansion	\$52 m		
	Marc I Hub Line / North-South Project	\$375 - \$425 m		
Future Projects	US Salt – Gas Expansion	\$79 m		

(a) Projected accretion calculations include the following assumptions: (i) funding mix based upon a targeted 3.75x Debt/EBITDA leverage ratio at today's long-term capital costs, (ii) maintenance capital expenditures of approximately \$1.25 m, and (iii) per unit accretion measured from \$2.66 NRGY and \$3.12 NRGP distributions.

(b) The above figures regarding growth potential are based on various forward-looking assumptions made by the management of Inergy. While Inergy believes that these assumptions are reasonable, it can give no assurance that such results will materialize.



Financial Overview

Demonstrated Financial Discipline



● **Balanced funding objectives**

- Long-term targeted debt-to-EBITDA of approximately 3.5 to 4.0x
- Proven access to debt and equity capital markets
- Diverse balance sheet:
 - \$400 million bank credit facility in place
 - \$1,050 million of senior unsecured notes – maturities 2014 – 2016
- Corporate family credit ratings from Moody's/S&P of Ba3/BB- (Stable Outlook)

● **Rigorous capital investment review process**

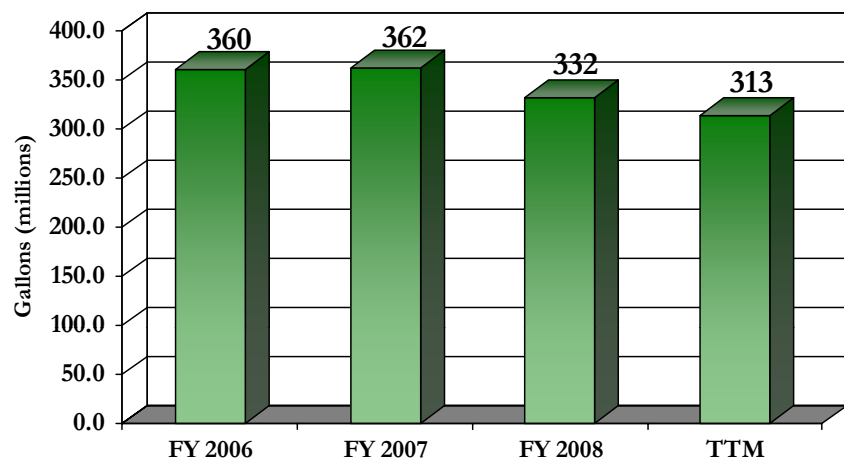
- All acquisitions & expansion projects must be accretive to Distributable Cash Flow per LP unit

● **Conservative approach to risk management**

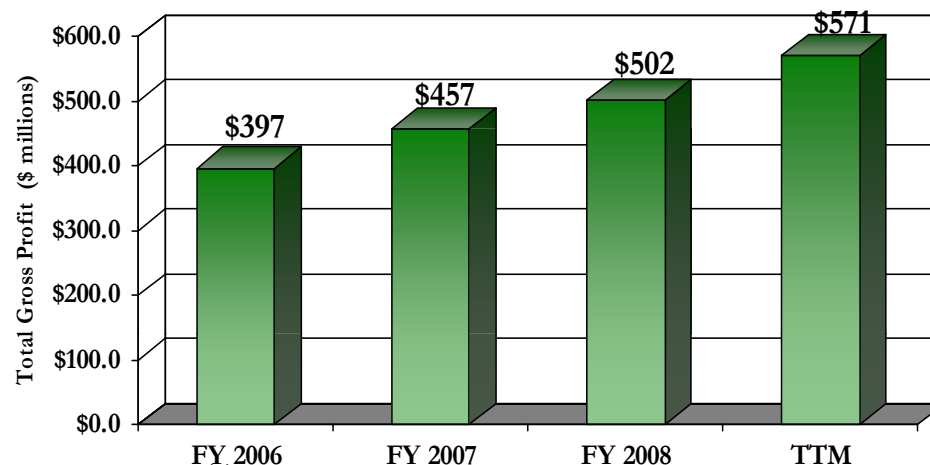
Financial Performance



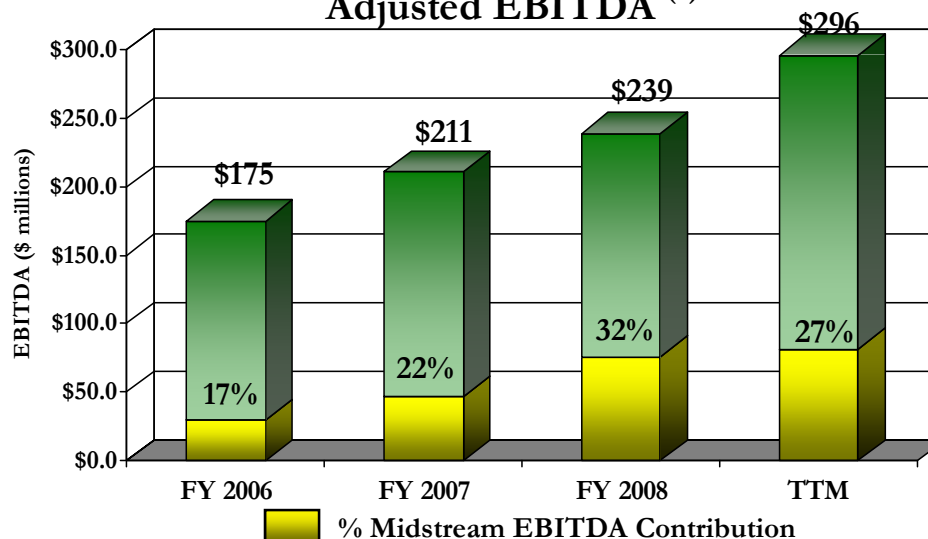
Retail Propane Gallon Sales



Total Gross Profit



Adjusted EBITDA ^(a)



Midstream EBITDA contribution ~40% of 2010 run-rate EBITDA

(a) Adjusted EBITDA represents EBITDA excluding the gain or loss on derivative contracts associated with retail propane fixed price sales contracts, the gain or loss on the disposal of fixed assets and long-term incentive and equity compensation expenses. Item 6 to the Partnership's Annual Report on Form 10-K provides a historical reconciliation of net income to EBITDA and adjusted EBITDA.

Strong Balance Sheet



	June 30, 2009	
(\$ in millions)	Actual	As Adjusted
Cash	\$ 13.0	\$ 76.5 ^(a)
Revolving working capital facility	\$ 28.0	\$ - ^(a)
Revolving acquisition credit facility	15.5	- ^(a)
6 7/8% senior unsecured notes due 2014	425.0	425.0
8 1/4% senior unsecured notes due 2016	400.0	400.0
8 3/4% senior unsecured notes due 2015	225.0	225.0
Fair value adjustment on sr. unsecured notes	5.2	5.2
Bond premium/(discount)	(17.1)	(17.1)
ASC credit agreement	9.1	9.1
Other debt	19.9	19.9
Total Debt	\$ 1,110.6	\$ 1,067.1
Total Partners Capital	\$ 767.2	\$ 874.2 ^(a)
Total Capitalization	\$ 1,877.8	\$ 1,941.3
 Trailing Twelve Month Adjusted EBITDA @ June 30, 2009		\$ 296.1
 Net LT Debt / TTM Adjusted EBITDA		3.3 x

(a) Reflects the repayment of borrowings under our revolving acquisition credit facility of approximately \$43.5 million using a portion of the net proceeds from the August 6, 2009 offering. The remaining proceeds from the offering of \$63.5 million increase our cash balance and will be primarily used to fund our midstream expansion projects.

Valuation Upside



Mix of Business, Strength of Track Record, and Continued Strong Growth Profile = Valuation Upside

- Outstanding operational and financial performance despite challenges of broader economic backdrop
- Ample balance sheet liquidity and proven ability to raise cost effective capital in tough capital markets environment
- Visible distribution growth driven by high-return organic midstream expansion projects





Appendix

Historical Financial Overview & Non-GAAP Reconciliations



<i>(in MMs)</i>	<u>Fiscal Year Ended September 30,</u>			<u>Nine Months Ended June 30,</u>		<u>TTM</u> <i>(unaudited)</i>
	<u>2006</u> <i>(audited)</i>	<u>2007</u> <i>(audited)</i>	<u>2008</u> <i>(audited)</i>	<u>2008</u> <i>(unaudited)</i>	<u>2009</u> <i>(unaudited)</i>	
Retail propane gallons	360.3	362.2	331.9	289.7	271.0	313.2
Statement of Operations Data:						
Revenues	1,390.2	1,483.1	1,878.9	1,538.0	1,339.1	1,680.0
Cost of product sold ^(c)	993.3 ^(a)	1,026.1 ^(a)	1,376.7 ^(a)	1,123.5 ^(b)	855.4 ^(b)	1,108.6 ^(a)
Gross profit	396.9	457.0	502.2	414.5	483.7	571.4
Expenses:						
Operating and administrative ^(c)	245.2	247.8	265.6	198.6	212.6	279.6
Depreciation and amortization	76.7	83.4	98.0	72.1	79.3	105.2
Loss (gain) on disposal of assets	11.5	8.0	11.5	(0.8)	4.1	16.4
Operating income	63.5	117.8	127.1	144.6	187.7	170.2
Other income (expense):						
Interest expense, net	(53.8)	(52.0)	(60.9)	(45.0)	(52.1)	(68.0)
Other income	0.8	1.9	1.0	0.1	-	0.9
Income before income taxes and interest of non-controlling partners in ASC	10.5	67.7	67.2	99.7	135.6	103.1
Provision for income taxes	(0.7)	(0.7)	(0.7)	(0.6)	(0.4)	(0.5)
Interest of non-controlling partners in ASC's consolidated net income	-	-	(1.4)	(0.9)	(1.0)	(1.5)
Net income	9.8	67.0	65.1	98.2	134.2	101.1

(a) Includes a \$20.0 million, a (\$0.6) million, a \$0.1 million, and a \$0.9 million non-cash FAS 133 charge/(gain) associated with fixed-price propane sales contracts to retail customers in FY2006, FY2007, FY2008, and Trailing Twelve Months (or TTM), respectively.

(b) Includes a \$0.7 million and a \$1.5 million non-cash FAS 133 charge in the nine months ended June 30, 2008, and the nine months ended June 30, 2009, respectively.

(c) The financials reflect a reclassification of transportation costs of \$2.9 million and \$4.4 million for the years ended FY2006 and FY2007, respectively, from a component of operating and administrative expense to other cost of product sold.

Historical Financial Overview & Non-GAAP Reconciliations, (cont.)



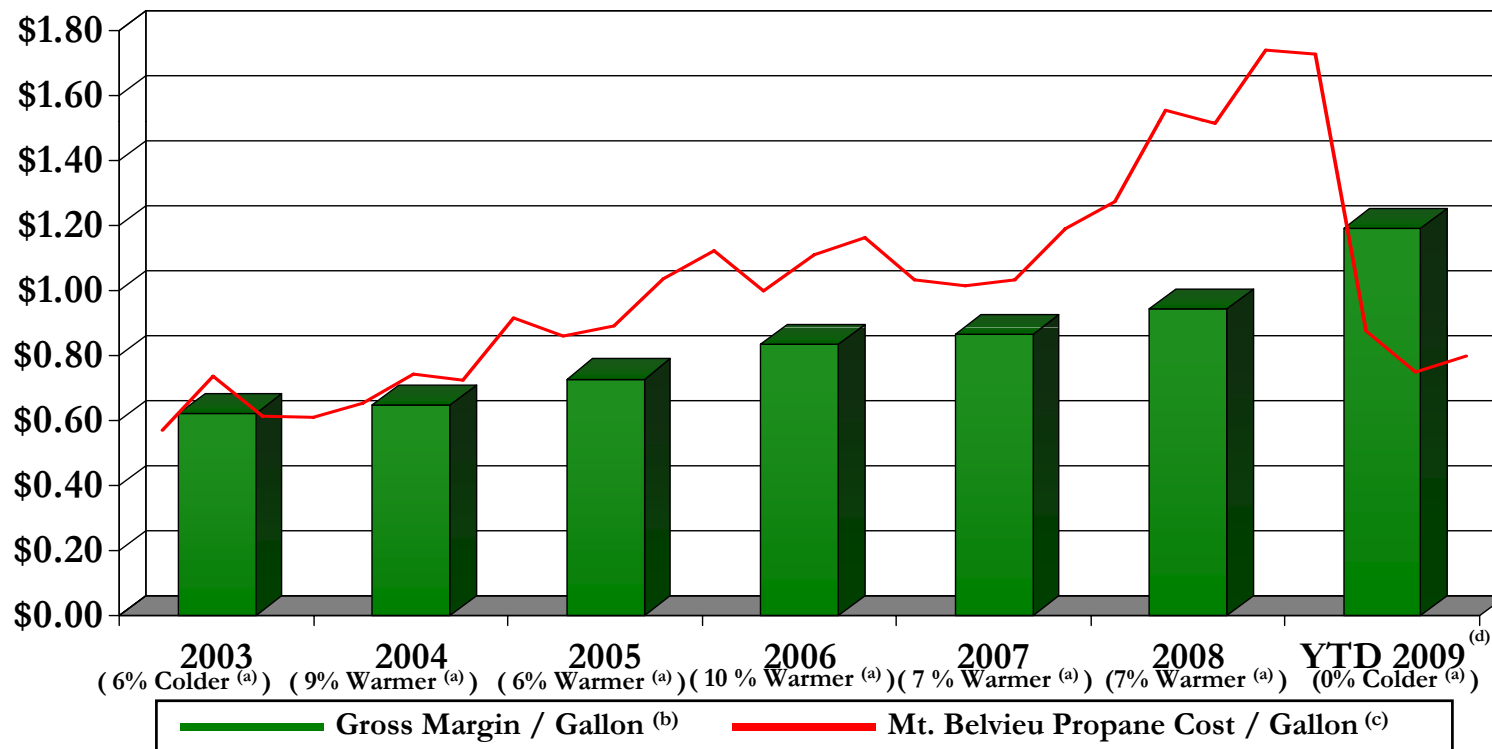
	<u>Fiscal Year Ended September 30,</u>			<u>Six Months Ended March 31,</u>		<u>TTM</u> (unaudited)
	<u>2006</u> (audited)	<u>2007</u> (audited)	<u>2008</u> (audited)	<u>2008</u> (unaudited)	<u>2009</u> (unaudited)	
<i>(in MMs)</i>						
<u>EBITDA Reconciliation:</u>						
Net income	9.8	67.0	65.1	98.2	134.2	101.1
<i>Interest of non-controlling partners in ASC's consolidated ITDA</i>	-	-	(0.8)	(0.7)	(0.4)	(0.5)
<i>Interest expense, net</i>	53.8	52.0	60.9	45.0	52.1	68.0
<i>Provision for income taxes</i>	0.7	0.7	0.7	0.6	0.4	0.5
<i>Depreciation and amortization</i>	76.7	83.4	98.0	72.1	79.3	105.2
EBITDA	141.0	203.1	223.9	215.2	265.6	274.3
<i>Non-cash (gain) loss on derivative contracts</i>	20.0	(0.6)	0.1	0.7	1.5	0.9
<i>Loss (gain) on disposal of assets</i>	11.5	8.0	11.5	(0.8)	4.1	16.4
<i>Non-cash compensation expense</i>	2.9	0.7	3.5	1.2	2.2	4.5
Adjusted EBITDA ^(a)	175.4	211.2	239.0	216.3	273.4	296.1
<u>Balance Sheet Data (end of period):</u>						
Cash	12.0	7.7	17.3			13.0
Working capital facility	22.7	31.0	65.0			28.0
Acquisition facility	-	40.0	182.0			15.5
Senior unsecured notes	625.0	625.0	825.0			1,050.0
Fair value adj. on sr. unsecured notes	(3.6)	(2.6)	1.9			5.2
Net bond premium/(discount)	-	-	3.8			(17.1)
ASC credit agreement	-	-	10.9			9.1
Other debt	15.6	16.8	18.0			19.9
Total debt	659.7	710.2	1,106.6			1,110.6
Net debt	647.7	702.5	1,089.3			1,097.6
Partners' capital	676.1	741.2	637.8			767.2
Total assets	1,639.0	1,744.4	2,137.6			2,095.2

(a) Adjusted EBITDA excludes i) non-cash gains or losses on derivative contracts associated with fixed price sales to retail propane customers, ii) non-cash compensation expense, and iii) gains or losses on the disposal of assets as disclosed in Inergy, L.P.'s SEC filings.

Consistent Margin Performance



- Management has demonstrated its ability to achieve consistent margin performance in distinctly different operating environments
- Intense focus on proactively monitoring key performance metrics
- Propane operations consistently deliver stable, predictable cash flow



(a) Based on NRGY service territory.

(b) Retail propane gross profit divided by retail propane gallons. Excludes non-cash gains/losses on derivative contracts.

(c) Quarterly average Mt. Belvieu price.

(d) Year to date results as of June 30, 2009.

Gas Storage Facility Overview



Stagecoach

- Located ~150 miles northwest of New York City
 - Closest storage facility to NYC market
- Working gas = 26.25 Bcf
- High performance, multi-cycle gas storage
- Fully-contracted through September 2014 with primarily investment grade companies
- Connected to TGP's 300 Line and Millennium Pipeline
 - Enhanced deliverability at Stagecoach
 - Wheeling opportunities between TGP and Millennium

Steuben Gas Storage

- Located ~40 miles from Stagecoach in Steuben County, NY
- Working gas = 6.2 Bcf
- Facility-owned 12.5 mile pipeline connected to Dominion's Woodhull line
- Fully-contracted through 2011 with investment grade counterparties
- Cost of service rate structure

Thomas Corners

- Located ~40 miles from Stagecoach in Steuben County, NY
- Developing 7.0 Bcf working gas capacity
- Connections to TGP, Millennium, and Corning Natural Gas pipelines
- Fully-contracted with 5 year term agreements
- Expected to be fully operational in Spring 2010
 - Construction ahead of schedule and currently in interim service

Finger Lakes LPG Storage Overview

Bath

- Located ~40 miles from Stagecoach
- 1.7 m bbl LPG storage
- Supported by both rail and truck terminal facilities
- Fully-contracted in LPG service with 5 yr term contract
- Expansion potential with US Salt as brine outlet
- Long-term 4 Bcf gas conversion option

Watkins Glen

- Located ~40 miles from Stagecoach in Schuyler County, NY
- Developing 5 m bbl LPG storage
- Readily connected to Teppco pipeline, rail and truck access
- Long-term contract signed with BP as anchor tenant
- Expected in-service Spring 2010



INERGY

*Committed to Generating Industry-Leading
Returns to Our Unitholders*