

INERGY L P  
Form 4  
August 05, 2008

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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).

**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 \*  
**KRAUSE ARTHUR B**

(Last) (First) (Middle)

**TWO BRUSH CREEK  
BLVD., SUITE 200**

(Street)

**KANSAS CITY 64112**

(City) (State) (Zip)

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

3. Date of Earliest Transaction  
(Month/Day/Year)  
**08/04/2008**

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)

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 Ownership (Instr. 4)
Common Units				(A) or (D) Code V Amount (D) Price	2,500	I	As Co-Trustee of the Meljay C. Krause Revocable Trust
Common Units					20,313	I	As Co-Trustee of the Arthur B. Krause Revocable

Common Units      08/04/2008      M      20,000      A      \$ 0      22,272 <sup>(2)</sup>      D      Trust

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

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(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)	Amount or Number of Shares
				Code    V    (A)    (D)		Date Exercisable    Expiration Date	Title	
Long Term Incentive Plan Options (Right to Buy)	\$ 16.87	08/04/2008		M	20,000    (A)	05/08/2006 <sup>(1)</sup> 05/07/2013	Common Units	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KRAUSE ARTHUR B TWO BRUSH CREEK BLVD. SUITE 200 KANSAS CITY 64112	X			

## Signatures

Judy Riddle (attorney-in-fact) for Arthur B.  
Krause      08/05/2008

       \*\*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) The option vests in three installments as follows: 25% of the option vests on May 8, 2006; 25% of the option vests on May 8, 2007; and the remaining 50% of the option vests on May 8, 2008.
- (2) Includes restricted units granted under the Inergy, L.P. Long Term Incentive Plan, as amended. The restricted units vest at the rate of 33.33% on each anniversary of the grant date.

### Remarks:

On January 12, 2004, the Common, Senior Subordinated and Junior Subordinated Units of Inergy, L.P. underwent a two-for-one

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

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