

SHERMAN JOHN J  
Form 4  
February 15, 2011

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2015  
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  
BLVD., 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)  
02/14/2011

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/DIRECTOR

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 Ownership (Instr. 4)
				(A) or (D) Code V Amount (D) Price			
Common Units					10,810,199	I	As Trustee of the John J. Sherman Revocable Trust <sup>(2)</sup>
Common Units					345,661	I	As Trustee of the John J. Sherman 2005 GRAT I <sup>(1)</sup>
Common Units					11,077	I	By Employee

	Unit Purchase Plan <sup>(3)</sup>
Common Units	14,998      D

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

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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 Number of Shares
Class B Units	(4)	02/14/2011		J(5)	119,936.558	(4)      (4)	Common Units      119,936
Class B Units	(4)	02/14/2011		J(6)	3,897.309	(4)      (4)	Common Units      3,897

## Reporting Owners

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

## Signatures

/s/ Judy R. Riddle (attorney-in-fact) for John J. Sherman	02/15/2011
**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) Mr. Sherman is a trustee of the John J. Sherman 2005 Grantor Retained Annuity Trust I.

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

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

(4) 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.

(5) The reporting person received 119,936.558 Class B units as a payment-in-kind distribution on 7,091,636 Class B units owned on the distribution record date.

(6) The reporting person received 3,897.309 Class B units as a payment-in-kind distribution on 230,441 Class B units owned on the distribution record date.

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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