



NEWS RELEASE

Inergy Announces Non-Binding Open Season North-South Project II Capacity Expansion and Extension

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Further Enhancing Connectivity to the Northeast Natural Gas Market

KANSAS CITY, Mo., Sep 29, 2011 (BUSINESS WIRE) --

Inergy, L.P. (NYSE:NRGY) announced today that its wholly-owned subsidiary, Inergy Midstream, LLC ("Inergy"), is conducting a non-binding Open Season for shippers desiring to transport incremental natural gas volume on the existing Stagecoach North and South laterals and to a new pipeline interconnect with Dominion Transmission ("DTI"). The existing North-South Project, which Inergy expects to place into service in October 2011, will enable shippers to transport up to 325 MMcf/d of gas bi-directionally on a firm basis from the Millennium Pipeline to Tennessee Gas Pipeline's ("TGP") 300 Line and all points in between. The additional capacity expansion contemplated by this Open Season, as described below, will effectively enable shippers to transport a greater quantity of gas bi-directionally on a firm basis over the same route covered by the North-South Project and also to DTI.

Capacity Expansion and Extension Project

The North-South II Capacity Expansion and Extension ("NS-II") Project seeks to gauge interest from shippers that desire to transport additional gas volume bi-directionally on a firm basis through Inergy's existing Stagecoach laterals from the Millennium Pipeline to TGP's 300 Line and all points in between.

Furthermore, shippers can elect to participate in the extension of the existing Stagecoach laterals by electing to transport volumes bi-directionally from TGP's 300 Line and intermediate points including the Millennium Pipeline to

a new interconnect with DTI in Tompkins County, New York, where an intrastate pipeline owned by Inergy's affiliate Inergy Pipeline East, LLC ("IPE") interconnects with DTI's transmission. DTI has recently announced plans to expand this system for gas desiring redelivery to Iroquois Gas Transmission system. Existing firm storage capacity holders at Stagecoach may also elect DTI as a new point of receipt/delivery subject to their existing injection and withdrawal rights, their North lateral capacity, and volume allocation.

The NS-II Project may include: the setting of additional compression, the expansion of existing measurement facilities, and the installation of approximately three miles of pipe connecting Millennium Pipeline and the Stagecoach North lateral to IPE's pipeline.

The proposed project is targeting Northeast shippers seeking: (i) additional market supply flexibility and reliability; (ii) access to additional gas supplies in the market area; (iii) liquid points of sale for locally produced gas from the Marcellus Shale and Trenton-Black River plays, among others; (iv) additional storage opportunities; and (v) capture of pricing differentials between the various interconnected market pipelines. Once complete, the NS-II project is expected to enhance the connectivity of the Stagecoach natural gas storage facility to four market area pipelines; including, TGP, Transco, Millennium, and DTI.

Rates, including fuel retention, for the NS-II project will be determined after the conclusion of this non-binding Open Season and are dependent upon the final scope of the facilities and firm service commitments.

This non-binding Open Season will close October 15, 2011, at 5:00 p.m. CT.

The anticipated in-service date for the NS-II Project is September 1, 2013, based on assumed volume commitments and resulting facilities.

For questions concerning this non-binding Open Season or for Open Season packages, contact Ron Happach at 720-279-6344 or by email, rhappach@inergyservices.com. Open Season packages can also be downloaded from the following websites:

- www.stagecoachstorage.com
- www.storageboard.com

About Inergy Midstream, LLC

Inergy Midstream, LLC, a wholly-owned subsidiary of Inergy, L.P., currently owns and operates the Tres Palacios gas storage facility, the Stagecoach gas storage facility, the Thomas Corners gas storage facility, the Steuben gas storage facility, and the Seneca Lake gas storage facility. These four natural gas storage facilities have a combined 79.5 Bcf of working gas capacity. Inergy Midstream also owns and operates a solution mining and salt production company,

US Salt, LLC, and a liquefied petroleum gas ("LPG") storage facility near Watkins Glen, NY.

About Inergy, L.P.

Inergy, L.P., with headquarters in Kansas City, Missouri, is a publicly traded master limited partnership. Inergy's operations include the retail marketing, sale, and distribution of propane to residential, commercial, industrial, and agricultural customers from customer service centers throughout the United States. Inergy also operates a midstream natural gas storage and transportation business and a supply logistics, transportation, and wholesale marketing business that serves independent dealers and multi-state marketers in the United States and Canada.

This news release contains forward-looking statements, which are statements that are not historical in nature such as the expectation that the existing North-South Project will be placed into service in October 2011, the NS-II Project will add additional transportation capacity in the northeast, the proposed pipeline extension will interconnect with DTI, and the expectation that commercial operations will commence in 2013. Forward-looking statements are subject to certain risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize or any underlying assumption proves incorrect, actual results may vary materially from those anticipated, estimated, or projected. Among the key factors that could cause actual results to differ materially from those referred to in the forward-looking statements are: weather conditions that vary significantly from historically normal conditions; the demand for high deliverability natural gas storage capacity in the Northeast; the general level of petroleum product demand and the availability of natural gas and the price of natural gas to the consumer compared to the price of alternative and competing fuels; our ability to successfully implement our business plan with respect to our continued expansion of our midstream operations; our ability to generate available cash for distribution to unitholders; the outcome of rate decisions levied by the Federal Energy Regulatory Commission; and the costs and effects of legal, regulatory, and administrative proceedings against us or which may be brought against us. These and other risks and assumptions are described in Inergy's annual report on Form 10-K and other reports that are available from the United States Securities and Exchange Commission.

Corporate news, unit prices, and additional information about Inergy, including reports from the United States Securities and Exchange Commission, are available on the Company's website, www.Inergylp.com. For more information, contact Mike Campbell in Inergy's Investor Relations Department at 816-842-8181 or via e-mail at investorrelations@inergyservices.com.

Photos/Multimedia Gallery Available: <http://www.businesswire.com/cgi-bin/mmg.cgi?eid=50013316&lang=en>

SOURCE: Inergy, L.P.

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