

INERGY L P  
Form 425  
May 06, 2013

Inergy and Crestwood Merger  
Presentation  
Filed  
by  
Inergy,  
L.P.  
Pursuant  
to  
Rule  
425  
of  
the  
Securities  
Act  
of  
1933

and deemed filed pursuant to Rule 14a-12  
of  
the  
Securities  
Exchange  
Act  
of  
1934  
Subject Company: Crestwood Midstream Partners LP  
Commission File No.: 001-33631

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ADDITIONAL INFORMATION AND WHERE TO FIND IT

This communication contains information about the proposed merger transaction involving Crestwood Midstream Partners LP connection with the proposed merger transaction, Inergy will file with the SEC a registration statement on Form S-4 that will include Crestwood. Crestwood will mail the final proxy statement/prospectus to its unitholders. INVESTORS AND UNITHOLDERS SHOULD READ THE STATEMENT/PROSPECTUS

AND  
OTHER  
RELEVANT  
DOCUMENTS  
FILED  
OR  
TO  
BE  
FILED  
WITH  
THE  
SEC  
CAREFULLY  
WHEN  
THEY  
BECOME AVAILABLE  
BECAUSE  
THEY  
WILL  
CONTAIN  
IMPORTANT  
INFORMATION  
ABOUT  
CRESTWOOD,  
INERGY,  
THE  
PROPOSED  
MERGER  
TRANSACTION  
AND  
RELATED  
MATTERS.

Investors and unitholders will be able to obtain free copies of the proxy statement/prospectus and other documents filed with the SEC at [www.sec.gov](http://www.sec.gov). In addition, investors and unitholders will be able to obtain free copies of documents filed by Crestwood at [www.crestwoodlp.com](http://www.crestwoodlp.com), under

the heading SEC Filings in the Investor Relations tab and free copies of documents filed by Inergy with the SEC from Inergy's website, [www.inerylp.com/midstream](http://www.inerylp.com/midstream), under the heading SEC Filings in the Investor Relations tab.

#### PARTICIPANTS IN THE SOLICITATION

Crestwood, Inergy and their respective general partner's directors and executive officers may be deemed to be participants in the respect of the proposed merger transaction. Information regarding the persons who may, under the rules of the SEC, be deemed to have a connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the proxy statement/prospectus when it is filed with the SEC. Information regarding Crestwood's directors and executive officers is contained in Crestwood's Annual Report as filed with the SEC. Information regarding Inergy's directors and executive officers is contained in Inergy's Annual Report as filed with the SEC. Free copies of these documents may be obtained from the sources described above.

#### SAFE HARBOUR FOR FORWARD-LOOKING STATEMENTS

The statements in this communication regarding future events, occurrences, circumstances, activities, performance, outcomes and other statements reflect the current views, assumptions and expectations of Crestwood and Inergy management, the matters addressed could cause actual activities, performance, outcomes and results to differ materially from those indicated. Such forward-looking statements include, but are not limited to, statements about the future financial and operating results, objectives, expectations and intentions and other statements that are not historical facts. Factors that could result in such differences or otherwise materially affect Crestwood's or Inergy's financial condition, results of operations and cash flows include, without limitation, failure to complete Crestwood and Inergy businesses will not be integrated successfully or may take longer than anticipated; the possibility that expected timeframe; fluctuations in oil, natural gas and NGL prices; the extent and success of drilling efforts, as well as the extent of Crestwood or Inergy assets; failure or delays by customers in achieving expected production in their natural gas projects; completion of Crestwood or Inergy to connect natural gas supplies to Crestwood or Inergy gathering and processing assets or systems; actions or inactions taken or non-performance by third parties, including suppliers, contractors, operators, processors, transporters and customers; the ability of Crestwood or Inergy to consummate acquisitions; cost savings and other synergies from any acquisition; changes in the availability and cost of capital; operating hazards, natural gas accidents beyond

Crestwood  
or  
Inergy's  
control;  
timely  
receipt  
of  
necessary  
government  
approvals  
and  
permits,  
the  
ability  
of  
Crestwood  
or  
Inergy  
to  
control  
the  
costs  
of  
construction,  
including  
costs of

materials, labor and right-of-way and other factors that may impact either company's ability to complete projects within budget; governmental regulations, including environmental and climate change requirements; the effects of existing and future litigation; as well as other factors disclosed in Crestwood and Inergy's filings with the U.S. Securities and Exchange Commission. You should read the U.S. Securities and Exchange Commission, including Annual Reports on Form 10-K for the year ended December 31, 2012 and September 30, 2011, Quarterly Reports and Current Reports for a more extensive list of factors that could affect results. Crestwood and Inergy do not assume any obligation to update these forward-looking statements.

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Strategic Combination

Crestwood and Inergy to merge forming a \$7 billion midstream partnership

Crestwood Midstream Partners (NYSE: CMLP), Crestwood Holdings LLC, Inergy, L.P. (NYSE:NRGY) and Inergy Midstream, L.P. (NYSE:NRGM) have executed definitive agreements to create a fully integrated midstream partnership with a total enterprise value of over \$7 billion

Merger of equals creates an operating, financial and organizational platform that will be attractive to customers, creditors, investors, and employees

Transaction approved by the Board of Directors and committee of independent directors of NRGY, NRGM and

CMLP

Unified strategy focused on servicing the midstream infrastructure needs of the most prolific shale plays in North America

Marcellus Shale, Bakken Shale, Eagle Ford Shale, Permian Basin, PRB Niobrara Shale, Utica Shale, Barnett Shale, Fayetteville

Shale,

Granite

Wash,

Haynesville

Shale

and

Monterey

Shale

Diverse

collection

of

midstream

assets

and

services

with

visible

long-term

growth

potential,

attractive

operating

and

financial synergies and improved scale to execute major midstream infrastructure development and acquisition opportunities

Complementary blend of long-term fee-based contracted cash flows with high-growth shale assets and organic expansion opportunities

Combined, Crestwood and Inergy provide an integrated midstream service offering that links fundamental energy supply with fundamental energy demand

General partner of  
NRGM with incentive  
distribution rights and  
significant LP ownership  
Stable operating assets  
with growth potential  
Debt-to-EBITDA of 2.1x  
4  
Significant Transformation  
Inergy, L.P.  
(NYSE: NRGY)



EBITDA comprised of  
~50% Retail Propane &  
~50% Midstream  
Debt-to-EBITDA of 4.6x  
NRGM IPO  
NRGM Acquisition  
of US Salt from  
NRGY  
COLT Hub Acquisition  
Retail Propane  
Divestiture  
Inergy, L.P.  
(NYSE: NRGY)  
Inergy Midstream, L.P.  
(NYSE: NRGM)  
Pure-play midstream  
assets located in highly  
coveted supply and  
demand markets  
Fee-based, contracted  
cash flows  
Debt-to-EBITDA of 3.6x  
As of September 2011  
Today  
Dec-12  
Aug-12  
May-12  
Dec-11

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Crestwood Midstream Partners LP

Area with existing assets and operations

Area with greenfield or development projects being evaluated

Asset Snapshot

Crestwood is a growth-oriented, midstream MLP which owns and operates predominately fee-based gathering, processing, treating and compression assets servicing natural gas producers

Diverse portfolio of natural gas and NGL gathering, processing, and transportation operations in the U.S.

Footprint in six leading unconventional plays (Barnett Shale in north TX, the Fayetteville Shale in northwest

AR, the Granite Wash in the TX Panhandle, the  
Marcellus Shale in northern WV, the emerging Avalon  
Shale trend in southeastern NM, and the  
Haynesville/Bossier Shale in western LA)  
98% fixed-fee portfolio provides stable cash flows from  
top-tier producers (Antero, BHP Billiton, BP,  
Chesapeake, Devon, Exxon Mobil, Quicksilver)  
Formed by Quicksilver in 2004 with the  
contribution of its midstream assets in the  
Barnett, it went public as an MLP  
Quicksilver  
divested  
its  
holdings  
in  
the  
MLP  
(and  
its  
GP)  
in  
2010,  
selling  
to  
First  
Reserve

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First Reserve

After this transaction, First Reserve, Crestwood management and Inergy management will have in excess of \$1.5 billion invested in the combined partnership

Selected Significant Investments:

First Reserve, the largest and most experienced private equity firm focused exclusively on energy, continues to demonstrate its commitment to the ongoing

growth of the combined partnership

Denotes First Reserve portfolio companies currently under contract or  
30 year history of investing exclusively in  
energy

Over \$23 billion of capital raised since  
inception

Significant industry relationships and broad  
portfolio energy assets facilitate new  
business opportunities

Examples include Crestwood's current  
contracts with Sabine Oil and Gas,  
Mountaineer Keystone and RKI Exploration  
and Inergy's current contract with PBF

Energy  
engaged in business activities with Crestwood and/or Inergy.

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Transaction Structure  
NRGY  
NRGM  
Public  
Public  
Management  
Crestwood

Holdings

CMLP

Public

Management

First

Reserve

1

2

NRGY LP units

CMLP GP / IDR interest +

NRGM units (post merger)

3

LP Units + Cash

100% equity ownership +

assumption of CMLP debt

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1.

NRGY distributes all NRGM units

currently held to NRGY unitholders

in a tax-free distribution

2.

Crestwood Holdings acquires the GP

control of NRGY

3.

Crestwood Holdings exchanges the

GP/IDRs of CMLP plus CMLP NRGM

units (post merger) in exchange for

NRGY units

4.

CMLP merged into wholly-owned

subsidiary of NRGM

Crestwood

Holdings

NRGY

Public

Current

Inergy

Mgmt

NRGY

NRGM

NRGM

Public

53.8 MM Units: 29%

Non-economic GP

7.1 MM Units: 5%

GP / IDR interest

27.1 MM NRGY Units: 15%

11.9 MM NRGM Units: 8%

65.9 MM Units: 44%

20.5 MM Units: 14%

104.6 MM NRGY Units: 56%  
 45.0 MM NRGM Units: 30%  
 (\$ in MM except per unit data)  
 Units (MM)  
 Value  
 %  
 NRGM  
 Public - NRGM  
 29.1  
 \$699  
 19.4%  
 Public - CMLP  
 36.8  
 882  
 24.4%  
 Crestwood Holdings  
 20.5  
 493  
 13.7%  
 NRGY Unitholders  
 45.0  
 1,079  
 29.9%  
 NRGY  
 7.1  
 171  
 4.7%  
 Inergy Management  
 11.9  
 285  
 7.9%  
 Total Units  
 150.4  
 \$3,609  
 100.0%  
 NRGY  
 Public - NRGY  
 104.6  
 \$1,192  
 56.4%  
 Crestwood Holdings  
 53.8  
 613  
 29.0%  
 Inergy Management  
 27.1  
 309  
 14.6%  
 Total Units  
 185.5



\$2,114

100.0%

Pro Forma Ownership Structure:

Transaction Steps:

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Combined Operations

Pro Forma Asset Summary

1,308 mmcf/d natural gas transportation  
capacity

2,000+ mmcf/d gathering capacity

400+ mmcf/d processing capacity

1,000+ miles of pipeline

7 processing plants

80+ Bcf of current storage capacity

120,000 BPD crude oil rail loading capacity  
275 tractors and 531 trailers  
Significant North American NGL Logistics  
business  
Operations in virtually every premier shale play in North America  
Watkins Glen NGL Storage Facility  
Bath NGL Storage Facility  
South Jersey Terminal  
Seymour LPG Facility  
West Coast Midstream  
NGL Transportation Offices  
Rail Terminal  
Tres Palacios  
COLT Hub  
Gathering and  
Processing Assets  
Greenfield Development Targets

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Strategic Highlights  
Materially  
Increased Size,  
Scale and  
Diversity  
Complementary  
Growth  
Strategies

Low Cost  
Capital Drives  
Organic Growth  
Significant  
Management  
Experience &  
Track Record  
Cash Flow  
Stability and  
Visibility  
Enhanced  
Credit Profile  
Strong  
Sponsorship and  
Alignment of  
Interest with  
LPs  
Expanded  
Participation in  
the Midstream  
Value Chain

