

Natural gas falls to a 7-year low

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Natural gas prices slumped to their lowest level in seven years Thursday after the government reported that salt caverns, aquifers and other underground areas where it is stored are filling up.

Levels of natural gas have been building because power-intensive industries like manufacturing have cut back severely on production.

Natural gas tumbled 6.7 cents, to \$2.843 per 1,000 cubic feet. The price dropped as low as \$2.692 per 1,000 cubic feet earlier in the day, a level not seen since Aug. 7, 2002. With that September contract ending, however, most of the trading has switched to the October contract, which fell 4.6 cents, to \$3.248.

Natural gas prices plunged early in the day when the Energy Information Administration reported that natural gas placed into storage surged again.

There is so much natural gas in storage, it has begun to test the country's storage capacity. But agency economist Jose Villar said storage facilities have added about 100 billion cubic feet of extra space, giving suppliers more places to put it. The agency will include details of the added capacity in a report to be published in the next few weeks, Villar said.

Meanwhile, benchmark crude added \$1.06, to \$72.49 a barrel.

Still, oil prices have fallen since they touched \$75 a barrel Tuesday, and analysts said they expect they will drop further as the summer driving season ends in a few weeks.

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