

# Enbridge Inc's Northern Gateway Pipeline isn't Looking Good

## Description

Pipeline giant **Enbridge Inc** ([TSX:ENB](#))([NYSE:ENB](#)) is facing a real uphill battle in its bid to build the hotly contested Northern Gateway pipeline. It is a hill that is increasingly looking like it will be insurmountable, especially in light of the slew of bad news to hit the project in recent months.

## Approval overturned

Enbridge's quest to build the \$7.9 billion pipeline from the oil sands of Alberta to Canada's west coast hit a huge road block at the end of June when the Federal Court of Appeals overturned its permits to build the pipeline. The court ruled that the federal government did not "fulfill its duty to consult" with First Nations. Further, it said that,

The inadequacies – more than just a handful and more than mere imperfections – left entire subjects of central interest to the affected First Nations, sometimes subjects affecting their subsistence and well-being, entirely ignored.

By overturning the pipeline's Federal approval, it will be sent back to the government to review the project again.

## Opposition at the top

Unfortunately for Enbridge, its project is not supported by Canada's new government with Prime Minister Justin Trudeau repeatedly voicing opposition to the project that his predecessor approved. Earlier this month he reiterated his opposition to the pipeline saying that "on the Northern Gateway pipeline, I've said many times, the Great Bear Rainforest is no place for a crude oil pipeline."

While Trudeau is not for the Northern Gateway pipeline, he is not opposed to building new oil pipelines in Canada. In fact, he supports both **Kinder Morgan Inc's** ([NYSE:KMI](#)) Trans Mountain pipeline expansion as well as **TransCanada Corporation's** ([TSX:TRP](#))([NYSE:TRP](#)) Energy East pipeline and has made [building these two pipelines a top priority](#) of his government.

## Extension request suspended

Making matter worse for Enbridge is that just last week the National Energy Board suspended a review of the company's request to extend its permit for the proposed pipeline. This came after the pipeline giant and 31 aboriginal partners filed an application for a three-year extension. The NEB is also suspending the review of any filings from the company regarding its compliance with the 209 conditions that were attached to the project.

It is unclear just yet if this will mark the final blow to the hotly contested pipeline project. However, it is becoming clear that the project lacks the support it needs.

## Investor takeaway

With each passing day, it is becoming less likely that Enbridge will be allowed to build its proposed Northern Gateway pipeline. Further, with the project falling well behind rival projects from Kinder Morgan and TransCanada on the depth chart it might even not be needed any longer. In other words, Enbridge investors should not bank on this project becoming a reality.

## CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

## TICKERS GLOBAL

1. NYSE:ENB (Enbridge Inc.)
2. NYSE:KMI (Kinder Morgan Inc.)
3. NYSE:TRP (Tc Energy)
4. TSX:ENB (Enbridge Inc.)
5. TSX:TRP (TC Energy Corporation)

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