



Is Enbridge (TSX:ENB) Still a Good Investment After Recent Headlines?

Description

There's no denying the fact that **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) comes across as an incredible investment option. While there are many reasons for [considering the energy company](#) as a great investment, there are those investors that may also be looking to distance themselves from the stock based on recent headlines.

Here's what happened and whether investors should be concerned.

Gas pipeline explosion: What's the impact?

Enbridge was recently mentioned in the news as the operator of a pipeline that ruptured in a remote area northeast of Prince George. While there were no injuries in the incident, the ruptured line did explode, causing a large fireball. Repairs to the pipeline are underway, with Enbridge announcing this week that the repairs will be complete and the pipeline back up and running under reduced pressure by the middle of November.

Fortunately for residents in the area, a second gas line near the site was not damaged in the explosion and is being used to route natural gas to customers in southern B.C.

Could the Line 3 controversy be returning?

One of the most lucrative, if not controversial projects in Enbridge's portfolio is the Line 3 replacement. Enbridge's Line 3 is the most expensive undertaking by the company, with Canadian and U.S. components coming together to form an \$8 billion pipeline that will replace over 1,600 kilometres of pipeline on both sides of the border.

As the pipeline traverses an international border and through several states, the pipeline was the subject of scrutiny and protest by several different groups along its suggested route before getting final approval.

One key approval was the state of Minnesota, which was granted in June of this year, but indigenous and environmental groups from the area are asking the state to take a second look at their decision,

citing concerns over water supplies and climate.

Should investors really be concerned?

No investment is without risk, and when it comes to Enbridge, the company has seen more than its fair share of controversial announcements over the past few years that have wreaked havoc on the company's stock price, despite maintaining what is otherwise an incredibly lucrative business model.

Year to date, Enbridge has dropped 14%, which has, in turn, sent an already attractive dividend soaring to an appetizing 6.36% yield, which long-term investors will note has seen more than two decades of consecutive annual increases.

Enbridge's expensive acquisition of Spectra Energy, which is part of the reason for the stock retreating, is also worthy of mention. While the deal came at a high cost for Enbridge, the long-term potential for Enbridge is huge, which will make the current pricing levels look like an incredible discounted opportunity.

The recent announcements are temporary glitches in an otherwise impressive investment option that will make way and, in my opinion, provide [strong growth and income prospects](#) for long-term investors.

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