



## What to Make of Enbridge's (TSX:ENB) Line 3 Delays

### Description

**Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) is often touted as being one of the best investment options for long-term income-seeking investors for a variety of factors. While that position hasn't really changed recently, most investors are likely contemplating what impact the recently announced Line 3 delay means to their portfolio.

### The Line 3 project and its new delay

Enbridge's existing Line 3 pipeline spans nearly 1,110 miles, running from Edmonton to Superior, Wisconsin. Much of Line 3 replacement program is meant to replace the older, corroded 34-inch pipeline with the new 36-inch pipeline across sections in North Dakota, Wisconsin, and Minnesota.

The Wisconsin section went into service of May last year, following construction completing in December 2017. Construction of the North Dakota and Minnesota sections, which total 350 miles of pipeline, were set to begin concurrently later this year with the larger replacement pipeline coming into service towards the latter part of 2020. The completed pipeline is expected to double the capacity of the pipeline to 760,000 barrels per day.

This week, that schedule received a harsh blow as the Minnesota Court of Appeals found that the regulator, which approved the Line 3 project last year, didn't provide a thorough job in determining whether the provided impact statement was sufficiently adequate. Specifically, the court noted the statement didn't address any potential impact to Lake Superior and its watershed in the event of a spill along the pipeline.

According to Enbridge, the impact statement that was provided was fairly extensive, but the company is now assessing what its next steps will be. As far as the Line 3 project itself, it may be safe to say there could be at a minimum a delay to that second half of 2020 release timeline.

### What does this mean for investors?

While this is certainly a blow for Enbridge and, by extension, the Canadian energy sector, it is by no means the end of the road for the Line 3 project, nor is it the only issue plaguing Enbridge at the moment, either. Enbridge is also in a dispute with the state of Michigan and is taking that state to court over its plans to build a tunnel for its Line 5 route to traverse under the straits of Mackinac that lie between Lakes Michigan and Huron.

In other words, disputes and delays over pipelines are to be expected. That shouldn't deter investors from taking a position in Enbridge, which remains an attractive long-term pick for nearly any portfolio. If anything, the recent announcements relating to the Line 3 delays have positioned the stock as a bit of a [discount opportunity](#). In the past week, the stock has dipped 5%, placing it back to levels not seen since a brief dip back in March.

Adding to that opportunity is the fact that Enbridge runs a very profitable and stable business on its existing pipeline network, and the company offers an attractive dividend that yields 5.93%, making it a [great long-term investment option](#).

## CATEGORY

1. Dividend Stocks
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