



Could Enbridge (TSX:ENB) Pipelines Be Hacked?

Description

This month, the world witnessed one of the most bizarre spectacles in the history of the energy industry. The Colonial Pipeline—a joint venture by **Koch Industries** and four other investors—was the subject of a ransomware attack that shut down its operations. President Joe Biden declared a state of emergency, and the Pipeline paid hackers 75 Bitcoin (US\$5 million) in ransom. Since then, the Colonial Pipeline has come back online, but the questions raised by the hack continue to be debated.

One of those questions is whether another pipeline could fall victim to a similar attack. Pipeline companies like **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) transport millions of barrels of oil every day. Were Enbridge to be hacked, the cost to the Canadian economy would be enormous. Ontario and Quebec count on Enbridge for 540,000 barrels of oil a day. In this article I'll explore whether Enbridge could be hacked — and what the implications would be for investors.

How Colonial got hacked

Right now, experts aren't sure *how* Colonial Pipeline got hacked. However, it has been theorized that hackers gained access to the network by getting an employee to download an email containing malware. Once the hackers got in, they launched malware that rendered Colonial's systems inoperable. After collecting their US\$5 million ransom, they gave the company the software needed to get their network back online.

Could the same thing happen to Enbridge's pipelines?

If Colonial Pipeline could [fall victim to a massive ransomware attack](#), it's natural to wonder whether the same thing could happen to Enbridge. Colonial Pipeline is the U.S.'s largest pipeline, and Enbridge operates pipelines of similar size. Transporting three million barrels of oil a day, it's the largest pipeline company in North America.

Whether Enbridge could become a victim of hacking depends on several factors.

- **Social:** Does Enbridge allow employees to email people outside the company freely? If so, does it train them not to download unwanted software?
- **Technical:** Does Enbridge have systems in place to detect and reject unwanted software from its networks?
- **Political:** Does Enbridge have “enemies” who might want to target it for some reason?

The answers to these questions are beyond the scope of this article. But these are the types of factors Enbridge would want to look at when determining whether it is at risk of a ransomware attack.

Implications for investors

If Enbridge became the victim of a ransomware attack, the implications for investors would be enormous. The Colonial Attack forced the pipeline to stop operating completely. If a similar hack occurred on Enbridge’s network, three million barrels a day of production capacity could be taken offline. If just the Line 5 pipeline were attacked, it would take 540,000 barrels a day off line.

The revenue impact could be to the tune of billions of dollars a year. Investors will want to keep this in mind as malware attacks become [more and more common](#).

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