



## Enbridge (TSX:ENB): Major Bad News

### Description

Since I started covering it about three years ago, I've been giving **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) mostly favourable coverage. I've always liked the stock's high yield, decent growth, and the fact that the demand for its pipeline services is strong. For this reason, I've generally written about it in a positive tone.

Today though, I definitely wouldn't buy the stock. There's a risk factor for the company that is rapidly escalating in seriousness. It started out as mere background noise, but is now becoming a major concern.

This risk factor, as you may have guessed, involves the Line 5 pipeline.

## Biden reportedly mulls shutting down Line 5

Enbridge's Line 5 has been in the line of fire for a long time.

The drama got started last year, when Michigan Governor Gretchen Whitmer revoked Enbridge's long-standing easement to operate in her state. Shortly after that, she demanded that ENB shut down Line 5 and gave the company until May of this year to do so. The deadline passed, and Enbridge kept the pipeline operating. This led to a months-long [standoff](#) between Enbridge and the State of Michigan.

So far, the two parties are in a stalemate, with Enbridge still operating and Governor Whitmer demanding that it be shut down. It looks like the matter is going to President Joe Biden, the only person who can make a final decision on it.

## Will Joe Biden actually shut down Line 5?

Here's where the bad news comes in:

According to some reports, Joe Biden is considering shutting down Line 5. While he is awaiting an

environmental review from the Army Corps of Engineers, many credible reports have claimed he's left open the idea of a shutdown. A spokesperson quickly denied the rumour after it started circulating on Monday, but that doesn't mean it isn't true. It is standard procedure for PR people to be opaque on matters that haven't been decided on.

The Biden administration is currently waiting on a report on ENB's Line 5 tunnel project. This is a new expansion to Line 5, a part of the whole pipe network Whitmer wants shut down. This would appear to make it likely that Biden is going to make a decision on the tunnel itself. As for Line 5 as a whole, that remains to be seen.

## Would he actually do it?

Whether Biden will actually make a decision in favour of Governor Gretchen Whitmer is an open question. All we know for sure is that Biden is about to make a decision on the Line 5 tunnel. Given that he already cancelled one Canadian pipeline—**TC Energy's** Keystone XL—that can't be considered good news for investors.

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