



## This Dividend Champion Has Increased its Payout 19 Years in a Row

### Description

This stock is one of the most stable income investments I have ever found.

The company's facilities are some of the lowest risk and most irreplaceable assets in the world. Thanks in part to the monopoly status it holds on these properties, the company has reported record profits quarter after quarter.

That's great news for its shareholders because this company returns almost all of its earnings to investors. Over the past decade, the firm has increased its dividend threefold and now pays \$1.40 per share in dividends every year. This may very well be Canada's top dividend stock — and it's just be getting started.

### Is this Canada's top dividend growth stock?

**Enbridge** ([TSX: ENB](#))([NYSE: ENB](#)) is vital to our daily lives. The company owns 24,700 kilometres of oil and gas pipelines and distributes natural gas to 2 million houses across Eastern Canada and New York. Needless to say, without the commodities Enbridge ships through its network many of us would still be chopping firewood to heat out homes.

This means the company sees a steady demand for its services. Unlike other volatile resource firms, Enbridge simply earns a fee for every barrel of oil and gas that flows through its network regardless of swings in energy prices. Less than 5% of the firm's earnings are exposed to commodity prices, interest rates and foreign exchange risks.

And the dividends the company generate are just as steady. Last year Enbridge distributed \$852 million to shareholders. A tremendous amount of cash and a testament to management's desire to line investors' pockets. Since 1996, the company has increased its dividend for 19 consecutive years and today the stock yields 2.7%.

[Screenshot 2014-05-08 at 3.57.02 PM](#)

*Source: Enbridge Investor Presentation*

But Enbridge might just be getting started. Thanks to the energy boom we are witnessing across the continent, the amount of oil and gas currently being pulled out of the ground is only a sliver of what we're likely to see in the years ahead.

According to a recent report from **Citibank**, the combination of new oil sands production and shale drilling could grow North America's petroleum output more than 50% by 2020. By the end of the decade the continent could achieve energy self-sufficiency. It's a remarkable turnaround from only a few years ago when experts had left the domestic energy industry for dead.

To accommodate this boom, North America will require a massive build-out of its energy infrastructure. Companies that collect, store, and ship these oil and gas products are poised to make a fortune.

Enbridge is positioned to do exactly that. To take advantage of this opportunity, the company has dozens of new projects slated including hundreds of miles of new pipelines and expansion to existing facilities. In total, Enbridge has as a remarkable \$41 billion in secured growth projects — almost the size of the company's entire market capitalization — on the books.

Investors will be rewarded handsomely for years to come given the steady cash flow, growing dividends, and backlog of expansion projects. The stock has already returned 300% over the past 10 years, excluding dividends. There are no sure things in investing, but Enbridge is well positioned to repeat that performance in the decade ahead.

## **CATEGORY**

1. Investing

## **TICKERS GLOBAL**

1. NYSE:ENB (Enbridge Inc.)
2. TSX:ENB (Enbridge Inc.)

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