

This fact in itself would lend pipelines a wide competitive advantage; the only true competitor to a pipeline is another pipeline running alongside it. However, pipelines rarely face direct competition. Pipeline right-of-ways and regulatory approvals are expensive and difficult to obtain.

While pipelines are the most attractive asset in the company's portfolio, they're not the only one. Terminal and storage facilities, though not quite monopolies, generate solid returns and predictable cash flows. Given that the company's gas distribution and power generation businesses are regulated, Enbridge is almost guaranteed to earn a respectable return on investment.

Of course the true test of a wonderful business is how it fares during times of uncertainty. Since the company declared its first cash distribution in 1953, Enbridge has never failed to mail out a dividend cheque to shareholders. In fact, the firm even managed to raise its dividend during financial crisis in both 2008 and 2009 and has increased its payout by 205% over the past decade.

While there are no sure things in investing, Enbridge shareholders can likely count on those dividends cheques to keep rolling in for another 60 years.

CATEGORY

1. Investing

TICKERS GLOBAL

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