



2 Pipeline Companies With Great Dividends

Description

Energy transportation, distribution, and storage is a big business. Consider going with the flow with these two companies operating in the industry.

Enbridge

Enbridge ([TSX: ENB](#))([NYSE: ENB](#)) connects energy supply to premier refinery and consumer markets. The company is focusing on meeting increasing demand for new energy infrastructure throughout North America. Enbridge has transported roughly 14 billion barrels of crude oil in its liquids pipelines business over the past 10 years.

Enbridge Gas Distribution is the company's gas distribution business in North America and has over two million customers. Currently, EGD is upgrading its gas distribution in the Greater Toronto Area. This is EGD's largest capital expenditure program in its history.

In Q1 2014, Enbridge announced the \$7 billion Line 3 Replacement Program, which represents a significant enhancement of Enbridge's mainline liquids pipeline system. The L3R Program is the company's Canadian and U.S. mainline system, and is the largest project in its history. It runs from Edmonton, Alberta to Superior, Wisconsin. At present, Enbridge has \$36 billion of enterprise-wide commercially secured projects, which it expects to come into service between 2013 and 2017.

In April, Enbridge's board declared a quarterly dividend on its common shares of \$0.35. The company's dividend yield is 2.80%. Its five-year average dividend yield is 2.90%. Enbridge's goal is to consistently pay out 60% to 70% of adjusted earnings as dividends.

Inter Pipeline

Inter Pipeline (TSX: IPL) engages in petroleum transportation, natural gas liquids extraction, and bulk liquid storage. The company owns and operates energy infrastructure assets in western Canada and northern Europe. Inter Pipeline is one of the top 100 companies listed on the TSX.

The company handles the equivalent of 1.8 million barrels of energy commodities each day, via

operations in Canada and Western Europe. In Q1 2014, volumes transported on the company's conventional oil gathering pipelines attained the highest quarterly average in the past six years.

Last year, it invested a record \$1.7 billion on organic growth projects across its business divisions.

Inter Pipeline has its 850,000 barrel-per-day integrated expansion program on its Cold Lake and Polaris pipeline systems. The majority of its capital outlays were to these systems.

For Q1 2014, Inter Pipeline declared cash dividends of \$100 million, or \$0.3225 per share. The company announced a cash dividend of \$0.1075 per share for the month of June 2014. Total dividends to shareholders grew 29.7% to \$99.6 million in Q1 2014 versus the same period the year prior.

Its dividend yield is 4.1%. Inter Pipeline has distributed approximately \$2.5 billion in cash payments to investors since its establishment. Its first dividend record date was December 31, 1997.

Research further what these two companies are doing in the energy industry. The road ahead in oil and gas transportation and distribution can be profitable for your portfolio.

CATEGORY

1. Investing

TICKERS GLOBAL

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

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