

Dividend Investors: 2 Top Stocks to Tuck Away in Your RRSP

Description

Canadians are searching for quality dividend stocks to add to their RRSP portfolios.

Let's take a look at **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)) and **Inter Pipeline Ltd.** (TSX:IPL) to see why they might be good candidates.

Telus

Telus is a major player in the Canadian communications industry with nearly \$13 billion in annual revenue and 12.7 million subscriber connections.

Critics of the company say the decision to avoid the media space could put Telus at a disadvantage against its peers, but Telus appears to be doing just fine without owning sports teams, TV stations, and specialty channels.

In fact, the company continues to attract new subscribers at a healthy rate, and the recent deal with Bell MTS in Manitoba will add more than 100,000 new customers to the upgraded Telus network in the province. The \$300 million deal also comes with 15 dealer locations.

Telus is widely recognized for its focus on customer service and regularly claims the industry's lowest postpaid mobile churn rate.

Aside from sticking around, happy customers apparently also spend more, as Telus has delivered 25 straight quarters of blended average revenue growth on a year-over-year basis.

Avoiding the temptation to drop billions of dollars on media assets has allowed Telus to focus resources on other opportunities.

One division to watch is Telus Health, which has grown to become a leader in providing digital solutions to the health industry, including doctors, hospitals, and insurance companies.

Telus has a solid history of dividend growth. The current payout offers a yield of 4.3%.

Inter Pipeline

IPL owns natural gas liquids (NGL) extraction assets, conventional oil pipelines, oil sands pipelines, and a liquids storage business based in Europe.

The balanced revenue stream has enabled the company to weather the oil rout in good shape, and management has taken advantage of the challenging times to add strategic assets.

For example, IPL purchased two NGL extraction facilities and related infrastructure from **The Williams Companies** last year at a significant discount to the construction costs.

As the market improves, IPL could see nice returns on the investment.

The company also has a strong pipeline of development projects that should support steady revenue growth in the medium term.

IPL pays a monthly dividend, which is nice for those who take advantage of the powers of dividend reinvestment. The current payout offers a yield of 5.7%.

Is one more attractive?

Both stocks are attractive picks for an RRSP portfolio.

IPL is more volatile, but it has a higher yield and probably offers better upside if the oil sector is headed for a recovery.

Telus is likely the safer bet, and with a yield above 4%, it's a good candidate for a buy-and-forget investment style.

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