



2 Top Electric Utilities Stocks With Yields of 3-5%

Description

Investing in electric utilities stocks is a great way to build wealth over the long term, because electricity is a near necessity in everyday life, which leads to stable cash flows for the companies that produce and distribute it as well as healthy dividend yields for their shareholders. With this in mind, let's take a look at two top electric utilities stocks that you could buy right now.

Emera Inc.

Emera Inc. ([TSX:EMA](#)) is a geographically diverse energy and services company. It generates, transmits, and distributes electricity and natural gas, and provides utility energy services in Canada, the United States, and four Caribbean countries through its many subsidiaries, including Tampa Electric, Nova Scotia Power, Emera Maine, Barbados Light & Power, Emera Energy, Peoples Gas, and New Mexico Gas.

Emera currently pays a quarterly dividend of \$0.565 per share, equating to \$2.26 per share on an annualized basis, and this gives its stock a yield of about 4.7% at the time of this writing.

Investors must also make the following two notes about Emera's dividend.

First, the company has raised its annual dividend payment for 11 consecutive years, and [its 8.1% hike](#) in September has it on track for 2018 to mark the 12th consecutive year with an increase.

Second, it has a dividend-growth program that calls for growth of approximately 8% annually through 2020, and I think its strong operational performance will allow it to complete this program and announce a new one that spans into the late 2020s.

Fortis Inc.

Fortis Inc. ([TSX:FTS](#))([NYSE:FTS](#)) is one of the 15 largest investor-owned utilities companies in North America. It provides regulated electric and gas utilities services to customers in five Canadian provinces, nine U.S. states, and three Caribbean countries through its numerous subsidiaries, which include FortisAlberta, UNS Energy, Central Hudson Gas & Electric, Newfoundland Power, Maritime

Electric, Fortis Turks and Caicos, and ITC.

Fortis currently pays a quarterly dividend of \$0.425 per share, equal to \$1.70 per share on an annualized basis, which gives its stock a yield of about 3.6% at the time of this writing.

Foolish investors must also make the following two notes about Fortis's dividend.

First, it has raised its annual dividend payment for 44 consecutive years, and [its 6.25% hike](#) in October has it positioned for 2018 to mark the 45th consecutive year with an increase.

Second, the company has a dividend-growth target of approximately 6% annually through 2022, and I think its very strong financial performance and its strategic five-year capital investment plan will allow it to continue to deliver dividend growth to its shareholders for decades.

CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

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2. TSX:EMA (Emera Incorporated)
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Date

2025/09/28

Date Created

2017/11/22

Author

jsolitro

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