# TFSA Investors: 3 Utility Stocks Yielding More Than 6%

## Description

While it may be easy to find high-yielding payouts given how poor the markets have been this year, it's not as easy to find safe stocks that pay well. Generally speaking, utility stocks offer a lot of stability because of the consistent, recurring revenue that a utility provider generates.



Although weather can wreak havoc on a company's sales, by and large, the industry provides much more consistency than what you'll find with most other stocks. For that reason, I've decided to focus on three high-yielding utility stocks that pay more than 6% per year in dividends.

**TransAlta Renewables Inc.** (TSX:RNW) is a great stock to buy not only for its dividend, but for its long-term growth potential. While the stock may not be getting much love from investors, with the share price declining more than 22% in the past year, it's hard to deny the opportunities that it can benefit from in the years to come.

Renewable energy is growing in demand, and as we continue to see that trend rise, companies that focus on renewable sources of energy will stand to benefit. TransAlta has a strong portfolio that will be in good position to take advantage of those developments, and it has good diversification as well.

In its most recent quarter, the company's sales grew more than 30%, and in just the past year sales rose by nearly 80%.

Investors have been bearish on the stock, and it is now yielding 8% a year; it could be a great time for opportunistic buyers to secure a great yield.

**Just Energy Group Inc.** (TSX:JE)(NYSE:JE) is another 8% yield that has seen a similar drop in price this year, but it did rebound with a strong February. Although the company has not seen the same top-line growth that TransAlta has seen, its bottom line has been more positive. In the company's most recent quarter, profits were up more than 15%.

Just Energy also has good diversification, and it too has assets that are in renewable energy that will benefit from a greater environmental awareness among its customers.

**Capital Power Corp.** (TSX:CPX) doesn't have as high of a yield as the other two stocks on this list, but that's because it hasn't seen as big of a decline either. However, with a yield of 6.8%, it's still a fairly high-paying dividend stock to add to your portfolio.

Although the share price has declined more than 3% in the past year, it has shown signs of life; in the past month it has risen 10%.

As with the other two stocks on this list, Capital Power's portfolio of assets include those that generate renewable energy, which is yet another indicator of the growing demand in the sector for green alternatives.

Capital Power didn't have the strongest year in 2017, as its sales were down 6%, but its net income was up 30% from a year ago. Over the past four years, Capital Power has averaged a solid 8% profit margin, which has been trending upward, as the last two years have averaged over 10%.

It's yet another great utility stock to add to your portfolio to add some reliable earnings and dividends.

**CATEGORY**

1. Dividend Stocks
2. Energy Stocks
3. Investing



**TICKERS GLOBAL**

1. TSX:CPX (Capital Power Corporation)
2. TSX:RNW (TransAlta Renewables)

**PARTNER-FEEDS**

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

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