



## Two High-Yield TFSA Stocks for Passive Income

### Description

Whether you're an income investor or a retiree, you need to understand the importance of high-quality dividend stocks that you can add to your TFSA income portfolios.

Energy stocks are among the best when you're looking for high-yield stocks on the TSX. Energy stocks in your TFSA providing dividend payouts present a potentially substantial income opportunity for you.

**AltaGas Ltd** ([TSX:ALA](#)) and **Inter Pipeline** (TSX:IPL) are two energy stocks with high yields that could increase your passive income through your TFSA. Let's take a better look at the two energy stocks so we can see if you should consider buying them today or not.

### AltaGas

AltaGas is a mid-stream Canadian energy company that has struggled with unsustainable levels of debt. The company also enjoyed the reputation of being one of Canada's top dividend stocks. December of 2018 saw AltaGas do something investors did not see coming.

The company reduced the generous dividend payouts from \$0.1825 per share each month to \$0.08 monthly per share.

It came as no surprise that investors became outraged, dumping AltaGas shares left, right, and center. The sharp sell-off created a buying opportunity for investors who dared to leverage the possibly discounted prices.

AltaGas' share prices have rallied well from the lows set at the beginning of 2019, and AltaGas is still a good buy with a dividend yield of 4.94%.

The stock price for AltaGas has already surged over 40%, and it appears that the company is not taking the foot off the pedal. A 4.94% dividend yield may not be as high as it used to be, but AltaGas still presents an [excellent opportunity](#) as an addition to your TFSA portfolio.

The cut in dividends last year allowed AltaGas to reduce the company's debt burden significantly. Coupled with the fact that AltaGas sold off non-essential assets, you can almost say that the company has risen back from the ashes.

## Inter Pipeline

Inter Pipeline is another major company in the Canadian energy sector. The company has natural gas-processing assets, oil sands pipelines, and conventional oil pipelines among its assets.

Inter Pipeline is also in the process of building a polypropylene plant with an investment of \$3.5 billion. Through the facility, Inter plans to convert propane into usable plastic for a variety of products.

Dubbed the Heartland Petrochemical Complex, the facility will be operational after completion in two years. The facility can generate an annual EBITDA of \$450 million more for Inter Pipeline.

The share prices of Inter Pipeline are down, possibly due to concerns about the company taking on unsustainable debts to complete the complex. From a high of \$25.18 at the start of this month, Inter Pipeline share prices are down to \$23.75 at the time of writing. The share prices are still not bad, and Inter still offers an impressive 7% dividend yield.

IPL is a company with roughly 3,000 kilometers of pipelines. The company ships oil sands crude to various hubs located in Alberta. The business model involving the shipment of crude is better than extracting it since it allows the company to make money regardless of the oil price.

Oil prices have not been outstanding recently, and IPL's business strategy gives the company a crucial advantage. The \$23.75 per share is a reasonable price to buy IPL shares and add them to your TFSA portfolio with a [7% dividend yield](#).

## Foolish takeaway

AltaGas might seem a little volatile right now, but the company is positioned well to stabilize and become a reliable source of above-average dividends. Inter Pipeline already is a stock which provides safe and secure dividend-payouts.

Both of the company's shares are more affordable right now and display massive upside potential in the coming years.

If you are considering stocks for your TFSA, both of the stocks could look good as a means of passive income.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### TICKERS GLOBAL

1. TSX:ALA (AltaGas Ltd.)

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