



1 Top Stock to Earn Income

Description

The market is full of superb income-producing investments. Yields that are north of 5% aren't exactly rare, but there are few investments that can offer stability and a high yield. Investors looking for a top stock to earn income may be surprised at what **Enbridge** ([TSX:ENB](#))([NYSE:ENB](#)) can offer.

Enbridge is more than a pipeline, but that pipeline is impressive

Enbridge is primarily known by many investors for its massive pipeline. There's a good reason for that view. That massive pipeline network spans well over 27,000 km, making it the largest and most complex pipeline system on the planet. Each day that pipeline transports over three million barrels of crude and liquids. Over the entirety of 2019, the network transported over 3.9 billion barrels while offering a delivery record (99.99999%).

Collectively, that pipeline transports a whopping 65% of U.S.-bound Canadian crude exports and 25% of all crude produced on the continent. Enbridge also transports one-fifth of all the natural gas consumed by the United States. The company also boasts the largest natural gas distribution utility on the continent.

For investors, the pipeline business is important, because Enbridge generates revenue by charging for use of that network. Perhaps most importantly, that charge is not based on the price of the commodity being transported. In other words, irrespective of the volatile price of oil, Enbridge's revenue stream can remain predictable.

Incredibly, that pipeline business only accounts for 53% of Enbridge's overall business. Let's look at some of the other areas of this well-diversified stock to earn income from.

Enbridge has a renewable energy portfolio

Few investors may realize it, but Enbridge also has a growing portfolio of renewable energy facilities. The company is primarily focused on both onshore and offshore wind facilities as well as solar

facilities. Collectively, those facilities generate enough electricity to power over 870,000 homes.

The onshore and offshore wind farms currently generate 2.4 GW and two GW of power, respectively. Enbridge's solar portfolio continues to grow. Over the past year, three separate facilities in New Jersey, Pennsylvania, and Alberta have come online. Collectively, the solar segment generates 225 MW of electricity — enough to power 31,000 homes.

Enbridge's investment in renewables will gradually account for more of the company's earnings over time. As an aside, investors should note that renewable facilities are subject to the same regulatory contracts that traditional utilities adhere to. In other words, once operational, those renewable facilities will generate a steady revenue stream for decades. With an eye towards the future, that renewable segment could be reason enough to see Enbridge as a top stock to earn income.

Is Enbridge a top stock to earn income from?

Enbridge's diversified business model provides a steady revenue stream, which, in turn, funds a quarterly dividend. That dividend currently works out to an insane 7.19% yield. This makes Enbridge one of the [best-paying yields](#) on the market and arguably a [great defensive holding](#).

To put that earnings potential into context, a \$30,000 investment will provide just over \$2,150 in the first year alone. Throw in the fact that Enbridge has provided generous annual bumps to that dividend for over two decades, and you have a top stock to earn income from.

In other words, buy Enbridge and hold it for the long term.

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