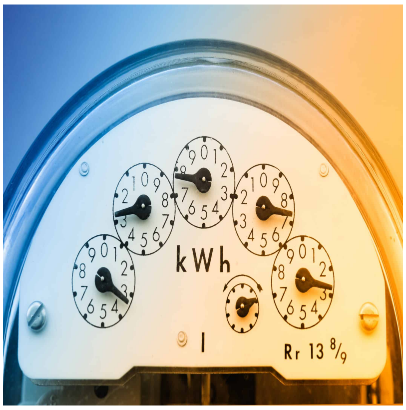


# TFSA Investors: 3 Reliable Utility Stocks to Buy Now and Hold for Life

### Description

Bear market sentiment has spread to even the most defensive Canadian utility stocks. This might be a gift for TFSA (Tax-Free Savings Account) investors looking to buy low-risk, high-income investments. Valuations are beaten up, and dividend yields are elevated above their average rate.



Utility stocks are attractive for TFSA investors with a conservative investment mandate (like those nearing or in retirement). Most are Dividend Aristocrats with long track records of growing dividends in a safe, predictable manner.

The best part is all the utility income earned is tax free inside the TFSA. If you are looking for some long-term passive-income streams, here are three utilities that should last for the long haul.

## Fortis: A TFSA income stock to hold for decades

**Fortis** (TSX:FTS) is a quintessential utility for the most conservative TFSA investors. It's hard to find infrastructure assets that are more essential/resilient than power and natural gas transmission/distribution lines. It operates $58 billion worth of these regulated assets around North America.

Fortis may not be the fastest-growing stock, and it may not even have the highest returns. However, it makes up for it in stability and longevity. This year, it increased its quarterly dividend by 6% to $0.565 per share. That is its 49th consecutive annual dividend increase. Only a few Canadian stocks have that kind of history, and that puts Fortis in its own category.

Its stock has recently declined 23% this year, and it trades with a 4.4% dividend yield right now. Fortis has a large, foreseeable development pipeline. TFSA investors have a high chance of earning years (maybe even decades) of solid mid-single-digit dividend growth ahead.

## Enbridge: A high-yielding giant

**Enbridge** (TSX:ENB) is not a utility in the traditional sense. However, it does operate a vast portfolio of essential energy infrastructure services (some that include regulated utilities as well). 98% of its businesses are contracted or regulated.

With a market cap of $104 billion, Enbridge is a very large business. It captures cash flows from more than 40 different sources. These include oil liquids pipelines, gas transmission pipelines, gas distribution utilities, LNG exports, and renewable power projects. The company looks particularly well positioned for the green energy transition, especially given recent acquisitions in the renewable power development space.

This stock is attractive for TFSA passive-income investors, because it pays a large 6.7% dividend yield. Given its large capital program, that dividend has a high likelihood of growing by a good single-digit rate for years to come.

## Brookfield Renewables: Decades of growth for your TFSA

If you are looking for a little more growth in your TFSA, **Brookfield Renewable Partners** (TSX:BEP.UN ) is an ideal utility-like stock. With a market cap of $26 billion, it is one of the largest pure-play renewable power stocks in the world. It operates 23 gigawatts (GW) of hydro, solar, wind, distributed generation, and battery power.



90% of these assets are contracted with 14-year average power-purchase agreements (PPAs). 70% of its revenues are inflation linked, which means it holds an attractive earnings hedge against inflation (and rising interest rates).

The company has a massive 100 GW development pipeline, which will provide years of steady growth. This stock has fallen nearly 20% in the past month, and it trades with a 4.44% yield. BEP has a great history of about 6% annual dividend growth, and that is likely to continue. Now is a great time to add this income/growth stock to your TFSA.

**CATEGORY**

1. Dividend Stocks
2. Investing

**TICKERS GLOBAL**

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2. NYSE:ENB (Enbridge Inc.)
3. NYSE:FTS (Fortis Inc.)
4. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
5. TSX:ENB (Enbridge Inc.)
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**Date**
2025/06/29
**Date Created**
2022/10/23
**Author**
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