



3 Top Utility Stocks to Buy Right Now

Description

If you're looking for steady stocks to add to your portfolio, then I would recommend turning to the utility sector. In Canada, the utility sector features many [blue-chip stocks](#). What's very consistent among those companies is that they [pay attractive dividends](#). That's why investing in utility companies over the long term could be very beneficial. Because these companies tend to receive recurring revenue, this sector also tends to provide investors with stocks that tend to be less volatile than what's found in other sectors.

In this article, I'll discuss three top utility stocks to buy right now.

This is a stock that belongs in your portfolio

If you could only buy one utility stock, I'd recommend turning to **Fortis** ([TSX:FTS](#)). This is a massive utility company, which operates a portfolio that consists of \$64 billion of assets under management. Fortis provides regulated gas and electric utilities to more than three million customers across Canada, the United States, and the Caribbean. In 2021, Fortis generated about \$9.4 billion in revenue.

Fortis has made a name for itself among stock investors because of its solid dividend history. This company has managed to increase its dividend distribution in each of the past 49 years. That gives it the second-longest active dividend-growth streak in Canada. Fortis also projects that it'll be able to continue raising its dividend at a compound annual growth rate (CAGR) of 4-6% through to at least 2027.

One of my favourite Canadian stocks

When it comes to utility stocks, **Brookfield Renewable** ([TSX:BEP.UN](#)) stands out as a personal favourite. This is because I strongly believe that the renewable utility industry could be much larger by the end of the decade. Today, Brookfield Renewable is a leader within its industry, operating a portfolio of assets worth \$68 billion. Its portfolio has a generation capacity of 21 gigawatts (GW). Upon the completion of its current construction projects, Brookfield Renewable estimates that it would add an additional 69 GW of generation capacity.

Like Fortis, Brookfield Renewable is a strong dividend stock. It has managed to increase its dividend in each of the past 11 years. Over that period, Brookfield Renewable's dividend has grown at a CAGR of 6%. That strong dividend coupled with a fairly strong history of capital appreciation, makes Brookfield Renewable a must-have in your portfolio.

Another great stock to consider buying today

If the first two stocks aren't very interesting to you, then consider **Emera** ([TSX:EMA](#)). This company reads a lot like Fortis in that it operates utility assets in Canada, the United States, and the Caribbean. Although Emera has done an excellent job of growing since its humble beginnings as a small company in Nova Scotia, it doesn't really get the same attention as its peers. In 2021, Emera generated a whopping \$5.8 billion in revenue.

Over the past 10 years, [Emera](#) has managed to generate a 9.6% annualized return to shareholders. That outpaces the broader market by a decent margin. It's important to note that a lot of that return comes in the form of dividends. Currently, Emera stock offers investors a very attractive dividend yield of 4.7%. This company has managed to grow its dividend in each of the past 16 years. It also expects to continue raising its dividend by 4-5% through to at least 2025.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. TSX:BEP.UN (Brookfield Renewable Partners L.P.)
2. TSX:EMA (Emera Incorporated)
3. TSX:FTS (Fortis Inc.)

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