



7 Reasons to Invest in Dividend-Paying Enbridge Inc.

Description

Enbridge Inc. ([TSX: ENB](#))([NYSE: ENB](#)) operates the globe's longest crude oil and liquids transportation system, in Canada and the United States. Here are seven compelling reasons why Enbridge is a solid choice for your dividend portfolio:

1. Its scope of operations

As a distributor, Enbridge owns and operates Canada's largest natural gas distribution company (Enbridge Gas Distribution). It provides distribution services in Ontario, Quebec, New Brunswick, and New York state. As a generator, it has interests in over 1,800 megawatts of renewable and alternative energy generating capacity.

2. Its gas distribution franchise

Enbridge Gas Distribution is Canada's largest gas distribution franchise. This business has more than 2 million customers, and operates over 35,000 kilometers of gas distribution pipelines throughout Ontario. The key here is that this is a low-risk, stable business providing an essential product and service to businesses and consumers daily.

3. Its total assets

Enbridge has total assets of \$63 billion. Regarding liquids pipelines, it holds a 50% interest in the Seaway Crude Pipeline System. This includes an 805-kilometre, 30-inch diameter long-haul system between Cushing, Oklahoma, and Freeport, Texas. Enbridge has leading regional infrastructure in the Alberta oil sands and the Bakken area and a leading crude oil pipeline from the Canadian oil sands to the U.S. Midwest.

As for its Canadian midstream operations, Enbridge has 71% ownership of the Cabin gas-treating plant, as well as ownership of gas-gathering and compression facilities in the Peace River Arch region in northwestern Alberta. Its Enbridge Energy Partners has one of the largest gathering and processing networks in Texas.

4. Its expanding interests

Enbridge is engaging moreso in wind, solar energy, and geothermal. Today, it announced that it entered into an agreement to purchase additional ownership stakes in two Quebec wind projects. With this agreement, Enbridge will invest roughly \$225 million to acquire an additional 17.5% share in the 300 megawatt Lac Alfred Wind Project and an additional 30% share in the 150-megawatt Massif du Sud Wind Project.

5. Its offshore operations

As far as gas pipelines and processing are concerned, Enbridge is the largest gas gatherer and transporter in deepwater Gulf of Mexico. This involves 40% of total offshore gas production and 50% of ultra-deep gas production. Oil is the company's principal target in this region.

6. Its new projects portfolio and new growth platforms

For this year, Enbridge has \$ 8 billion in new projects. Its new projects in progress total \$28 billion. For near-term growth, the company is focusing on power generation, power transmission, and energy services. For diversification and long-term growth potential, Enbridge is focusing on these three as well, with the addition of its international projects. Internationally, its principal focus is greenfield development. It is developing projects in Colombia, Peru, and Australia.

7. Its dividends

Enbridge pays dividends quarterly and has a current dividend yield of 2.52%. Its dividend rate is \$1.40. The company's five-year average dividend growth rate is 13.66%. Enbridge has a dividend payout policy of 60%-70% of earnings.

Enbridge is in an essential industry, possesses an impressive transport network, and will provide sustained returns. You may want to perform due diligence on this blue-chip stock that has had 19 consecutive years of dividend increases.

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