

SPECIAL TWELFTH DIVISION

[CA-G.R. CV. No. 97532, February 14, 2014]

LELIZA DELABAJAN, PLAINTIFF-APPELLEE, V. MANILA ELECTRIC COMPANY, DEFENDANT-APPELLANT.

D E C I S I O N

ELBINIAS, J.:

Questioned in this Appeal^[1] filed under Rule 41 of the Rules of Court is the Decision^[2] dated February 15, 2011 of the Regional Trial Court of Makati City, Branch 136 ("lower court" for brevity) in Civil Case No. 01-1539 for "Damages."^[3] The Appeal also assails the lower court's Resolution^[4] dated June 6, 2011, which denied defendant-appellant's eventual Motion for Reconsideration.^[5]

The salient antecedents are those as stated in the assailed Decision^[6] of the lower court:

"This complaint was brought by plaintiff Leliza A. Delabajan (*plaintiff-appellee here*) against defendant Manila Electric Company (MERALCO) (*defendant-appellant MERALCO here*) for damages (with application for a preliminary injunction).

Plaintiff resides at no. 1374 Corregidor Street, Barangay Guadalupe Nuevo, Makati City. On February 1, 2001, persons from defendant MERALCO inspected the house's electrical facilities and found those facilities to have been tampered with.

On June 27, 2001, the parties entered into three Installment Payment Agreements (the June 27, 2001 IPAs) wherein the plaintiff agreed to pay defendant MERALCO the total amount of P577,756.70 for unpaid electricity xxx.

Plaintiff's family uses two television sets, two refrigerators, two airconditioners and other electric appliances.

On September 12, 2001, the plaintiff, through her lawyer, wrote defendant MERALCO a letter seeking reassessment and reconsideration of the penalties and charges imposed upon the plaintiff xxx.

On September 27, 2001, defendant MERALCO disconnected plaintiff's electric supply.

On October 17, 2001, plaintiff filed the present complaint for damages (with application for a preliminary mandatory injunction).

Defendant MERALCO filed an ANSWER alleging that it properly disconnected the electric services being used by the plaintiff in

view of the provisions of the Electric Services Contracts that allow it to disconnect tampered electric facilities coupled with plaintiff's failure to pay fully her differential and adjusted billings.

In seeking to recover damages against defendant MERALCO, plaintiff contends that she was only forced to enter into IPAs inasmuch as defendant MERALCO was threatening to disconnect her electric supply. Given her lawyers['] pending request for a recomputation and reassessment, plaintiff ascribes bad faith to defendant MERALCO's disconnection of the electric supply without prior sufficient warning.

On the part of defendant MERALCO, it contends that the plaintiff signed the IPAs knowingly fully well the contents thereof. It relies on the provisions of the contracts of service to justify its right to effect immediate disconnection of the electric service.”^[7]
(Emphasis supplied)

On February 15, 2011, the lower court rendered the assailed Decision,^[8] ordering defendant-appellant Manila Electric Company (“defendant-appellant MERALCO” for brevity) to pay Damages to plaintiff-appellee Leliza A. Delabajan (“plaintiff-appellee” for brevity). The dispositive portion of the Decision decreed:

“WHEREFORE, in view of the foregoing, the Court RENDERS judgment ORDERING defendant Manila Electric Company (MERALCO) to immediately supply plaintiff Leliza A. Delabajan with electric power and to pay the following to her:

1. P100,000.00 as moral damages;
2. P50,000.00 as exemplary damages;
3. P20,000.00 as attorneys fees; and
4. Cost of suit.

The Court DISMISSES defendant's counterclaim.

SO ORDERED.”^[9]

After defendant-appellant MERALCO's Motion for Reconsideration^[10] was denied by the lower court in its assailed Resolution^[11] dated June 6, 2011, defendant-appellant MERALCO filed the Appeal^[12] at bench, praying that:

“**WHEREFORE**, in the light of the foregoing, it is respectfully prayed of this Honorable Court that the assailed Decision dated February 15, 2011 BE REVERSED AND SET-ASIDE and a new one RENDERED finding that 1) the portion of the decision directing defendant-appellant Meralco to immediately supply plaintiff-appellant (sic) Leliza A. Delabajan with electric power and to pay to her P100,000.00 as moral damages, P50,000.00 as exemplary damages, P20,000.00 as attorney's fees and cost of suit null and void; and 2) ordering plaintiff-appellee to pay the following to defendant-appellant:

- 1) The balance of the differential bills in the amount of P311,322.92;

- 2) The sum of P500,000.00 by way of moral damages;
- 3) The sum of P500,000.00 by way of exemplary damages;
and
- 4) Attorney's fees in the amount of twenty percent (20%) of the damages herein claimed.

Other reliefs just and equitable under the foregoing premises are also prayed for.”^[13] (*Emphasis was made in the original*)

The Appeal raised the following errors:

“I. THE LOWER COURT ERRED GRAVELY IN FINDING THAT THE DISCONNECTION OF PLAINTIFF-APPELLEE'S ELECTRIC SERVICE WAS DUE TO INSPECTION CONDUCTED ON FEBRUARY 01, 2001

II. THE LOWER COURT ERRED GRAVELY IN FINDING THAT PLAINTIFF-APPELLEE IS ENTITLED TO PAYMENT OF MORAL AND EXEMPLARY DAMAGES AS WELL AS ATTORNEY'S FEES”^[14]

Despite the failure of plaintiff-appellee to file its Appellee's Brief, it is nevertheless Our “primary duty to render or dispense justice”^[15] in this case in accordance with the facts and law.

Contrary to defendant-appellant's arguments in its *assigned error I*, defendant-appellant MERALCO's disconnection of plaintiff-appellee's electric service was without proper basis.

Defendant-appellant MERALCO had argued as follows:

“x x x Defendant-appellant begs to differ with the findings of the lower court. The lower court, with all due respect, committed a serious error in ruling that plaintiff-appellee is entitled to immediate reconnection of service and in awarding damages and attorney's fees in her favor despite the clear absence of any legal and factual bases thereof.

x x x On February 01, 2001, plaintiff-appellee was found using tampered electric service during the inspection conducted by defendant-appellant's service inspectors registered in the name of Norie Ann, Reynaldo and Leonora (all surname[d] Restauero) but actually used by the plaintiff-appellee, to wit:

Norie Ann Restauero

A jumper was connected to her electric service

Reynaldo Restauero

Terminal Seal was cut. An airpump and airconditioning units were connected outside of his metered service.

Leonora Restauero

The terminal seal was cut.

The sealing wires of the lead cover seals were cut.

The meter was with an open potential link.

x x x Consequently, plaintiff-appellee was billed P577,756.65 as differential billings for the three (3) electric service she actually used registered under Service Identification Nos. 431305001 (P234,701.95), 431305101 (P231,802.10) and 431305201 (P111,252.70)[.] To forestall disconnection of her electric service, plaintiff-appellee entered and signed Installments Payment Agreement (IPA) with defendant-appellant on February 27, 2001 xxx.

x x x In the abovestated IPA's, plaintiff-appellee agreed to pay the differential billings on installment basis xxx. Plaintiff-appellee likewise agreed that upon her failure to pay any of the installment when due and payable, the remaining balance shall be due and demandable and defendant-appellant shall have the right to disconnect the particular service covered by the contract. xxx For failure to pay the August and September 2001 installments, electric service of the plaintiff-appellee was disconnected on September 27, 2001.

Crystal clear, defendant Meralco was forced to exercise its right to disconnect plaintiff-appellee's electric service on September 27, 2001, not because its electric meters were found tampered during the inspection conducted in her metering facilities on February 01, 2001, but because plaintiff-appellee failed to pay her August and September 2001 installments.

x x x During her testimony on October 25, 2001, plaintiff-appellee admitted that she failed to pay her August and September 2001 installments xxx.

xxx

x x x Notable also is the fact that there is no pronouncement that the subject IPA's executed by plaintiff-appellee and defendant-appellant which are the basis (sic) in disconnecting plaintiff's electric service on September 27, 2001 are null and void hence, valid and binding contract between the parties. xxx

xxx

x x x Disconnection for non-payment of bills is based on sound public policy. It would be extremely difficult for a public utility to collect payment of bills were it denied the right to disconnect services for non-payment of said bills. A public utility will be forced to institute a number of actions just to recover small accounts from numerous customers. xxx

x x x Even though, assuming arguendo, that the unregistered current was not due to plaintiff-appellee's deliberate tampering or interference, her obligation to pay stands. She had simply benefited! This has been confirmed by plaintiff-appellee's assumption of Norie Ann's, Reynaldo's, and Leonora's (all surnamed Restauero) obligations. Thus, in accordance with the principle embodied under Art. 2142 of the New Civil Code, 'no