

## **SECOND DIVISION**

**[ G.R. No. 195217, January 13, 2021 ]**

**NATIONAL POWER CORPORATION (NPC), PETITIONER, VS.  
SPOUSES RUFO AND TOMASA LLORIN, REPRESENTED BY THEIR  
ATTORNEY-IN-FACT, CORAZON CANDELARIA, RESPONDENTS.**

### **DECISION**

**LAZARO-JAVIER, J.:**

#### **The Case**

Petitioner National Power Corporation (NPC)<sup>[1]</sup> assails the Court of Appeals' Decision<sup>[2]</sup> dated June 27, 2008 and Resolution<sup>[3]</sup> dated January 12, 2011 in CA-G.R. SP No. 101986 upholding the order for NPC to vacate subject property and to pay monthly rentals thereon.

#### **Antecedents**

On October 27, 2006, respondents Spouses Rufo and Tomasa Llorin (Spouses Llorin), represented by their attorney-in-fact, Corazon Candelaria filed before the Municipal Trial Court in Cities (MTCC)-Naga City a complaint for unlawful detainer<sup>[4]</sup> against NPC docketed Civil Case No. 12712. It was raffled off to Branch 1.

Essentially, Spouses Llorin alleged that they are the registered owners of a 102,606-square meter (sq. m.) parcel of land covered by Transfer Certificate of Title No. 29725 (Lot 3162-B-2 of subdivision survey Psd-05-020261) and located in Brgy. San Felipe, Naga City.

Sometime in 1978, NPC occupied the property without the consent of their predecessors-in-interest and started the construction and installation of 69 kV Naga-Tinambac power transmission lines, affecting a total of 10,500 sq. m. of the property.

Their predecessors-in-interest tolerated NPC's occupation of their property on the latter's assurance that the structures were only temporary, it would vacate the property when the owners already needed it and monthly rentals would be paid.

When they and their predecessors-in-interest subsequently demanded the return of the property and payment of monthly rentals, NPC continuously failed and refused to heed their demand. Thus, on August 30, 2006, they served their last formal demand on NPC.

In its answer with compulsory counterclaim, NPC claimed that the complaint should be dismissed because it stated no cause of action against it. The subject transmission assets had already been transferred to the National Transmission

Corporation (TRANSCO) by virtue of Republic Act No. 9136<sup>[5]</sup> (RA 9136). The complaint was also barred by prescription and laches.<sup>[6]</sup>

### **Ruling of the MTCC**

Under Decision<sup>[7]</sup> dated June 19, 2007, the MTCC ruled in favor of Spouses Llorin, viz.:

WHEREFORE, premises considered, decision is hereby rendered in favor of plaintiff Sps. Rufo Llorin and Tomasa Tijam-Llorin, ordering defendant NAPOCOR

1. To vacate the subject properties and turn over it [sic] possession to plaintiff;
2. To pay to plaintiff monthly rental of Php5,000.00 per month as rental for the use of land from September, 2006 until the land is finally vacated;
3. To pay to plaintiff the amount of Php20,000.00 as attorney's fee plus cost.

SO ORDERED.

### **Ruling of the Regional Trial Court (RTC)**

On appeal, RTC-Naga City, Branch 26, affirmed under Decision<sup>[8]</sup> dated December 7, 2007.

NPC consequently went to the Court of Appeals by way of petition for review under Rule 42 of the Rules of Court.

### **Ruling of the Court of Appeals**

By Decision<sup>[9]</sup> dated June 27, 2008, the Court of Appeals, too, affirmed, thus:

**WHEREFORE**, the petition is **DISMISSED**. Accordingly, the assailed *Decision* dated December 7, 2007 of the Regional Trial Court, Branch 26, Naga City, which affirmed the *Decision* dated June 19, 2007 of the Municipal Trial Court in Cities, Branch 1, Naga City in Civil Case No. 12712 is hereby **AFFIRMED**.

**SO ORDERED.**

The Court of Appeals ruled that the allegations in the complaint were sufficient for unlawful detainer to prosper. The right of Spouses Llorin to recover possession of their property cannot be defeated by laches or prescription. The non-inclusion of TRANSCO in the case was not fatal considering that the parties, during the pre-trial, had already agreed that the ownership of the transmission lines remained with NPC and TRANSCO is its operator.

Under Resolution<sup>[10]</sup> dated January 12, 2011, the Court of Appeals denied NPC's

motion for reconsideration.

### **The Present Petition**

NPC argues in the main that (1) the MTCC had no jurisdiction over the subject matter of the complaint, (2) the complaint was already barred by laches and prescription, (3) TRANSCO, an indispensable party, was not impleaded, and (4) the proper remedy of Spouses Llorin was to claim for just compensation.

Considering that Spouses Llorin failed to file the required comment, the Court resolved to dispense with it per Resolution dated October 9, 2019.

### **Issue**

Does an action for unlawful detainer lie to oust the NPC (TRANSCO) from the property which holds its 69 kV Naga-Tinambac power transmission lines since 1978?

### **Ruling**

We reverse.

There is no dispute that since 1978, subject property has been devoted for a public purpose serving as site for the government's 69 kV Naga-Tinambac power transmission lines. Under RA 9136, TRANSCO has assumed the electrical transmission functions of the NPC, including the latter's power of eminent domain necessary for the discharge of these functions. Sec. 8 of RA 9136 provides:

SEC. 8. Creation of the National Transmission Company. There is hereby created a National Transmission Corporation, hereinafter referred to as TRANSCO, which shall assume the electrical transmission function of the National Power Corporation (NPC), and have the power and functions hereinafter granted. The TRANSCO shall assume the authority and responsibility of NPC for the planning, construction and centralized operation and maintenance of its high voltage transmission facilities, including grid interconnections and ancillary services.

Within six (6) months from the effectivity of this Act, the transmission and subtransmission facilities of NPC and all other assets related to transmission operations, including the nationwide franchise of NPC for the operation of the transmission system and the grid, shall be transferred to the TRANSCO. The TRANSCO shall be wholly owned by the Power Sector Assets and Liabilities Management Corporation (PSALM Corp.).

The subtransmission functions and assets shall be segregated from the transmission functions, assets and liabilities for transparency and disposal: Provided, That the subtransmission assets shall be operated and maintained by TRANSCO until their disposal to qualified distribution utilities which are in a position to take over the responsibility for operating, maintaining, upgrading, and expanding said assets. All transmission and subtransmission related liabilities of NPC shall be transferred to and assumed by the PSALM Corp.