

THIRD DIVISION

[G.R. No. 209910, November 29, 2017]

VISAYAN ELECTRIC COMPANY, INC., PETITIONER, VS. EMILIO G. ALFECHÉ, GILBERT ALFECHÉ, EMMANUEL MANUGAS, AND M. LHUILLIER PAWNSHOP AND JEWELRY, RESPONDENTS.

DECISION

LEONEN, J.:

An electric distribution company is a public utility presumed to have the necessary expertise and resources to enable a safe and effective installation of its facilities. Absent an indication of fault or negligence by other actors, it is exclusively liable for fires and other damages caused by its haphazardly installed posts and wires.

This resolves a Petition for Review on Certiorari^[1] under Rule 45 of the 1997 Rules of Civil Procedure praying that the assailed Court of Appeals October 25, 2012 Decision^[2] and October 8, 2013 Resolution^[3] in CA-G.R. CV No. 02583 be reversed and set aside.

The assailed Court of Appeals October 25, 2012 Decision reversed the January 4, 2006 Decision^[4] of Branch 11, Regional Trial Court, Cebu City in Civil Case No. CEB-23694, which found herein respondent M. Lhuillier Pawnshop and Jewelry (M. Lhuillier) negligent and liable for the fire which burned down the properties of Emilio G. Alfeche (Emilio), Gilbert Alfeche (Gilbert), and Emmanuel Manugas (Manugas). The Court of Appeals reversed the trial court decision and found herein petitioner Visayan Electric Company, Inc. (VECO) liable in M. Lhuillier's stead.

The assailed Court of Appeals October 8, 2013 Resolution denied VECO's Motion for Reconsideration.^[5]

On the night of January 6, 1998, a fire broke out at 11th Street, South Poblacion, San Fernando, Cebu, which burned down the house and store of respondent Emilio and his son, respondent Gilbert (the Alfeches),^[6] and the adjacent watch repair shop owned by respondent Manugas.^[7] It was alleged that the cause of the fire was the constant abrasion of VECO's electric wire with M. Lhuillier's signboard.^[8]

The next day, the Alfeches and Manugas reported the incident to the police^[9] and to the Sangguniang Bayan of San Fernando.^[10] Upon Emilio, Gilbert, and Manugas' request for site inspection, the Sangguniang Bayan of San Fernando eventually passed Resolution No. 12 requesting VECO to inspect the area and to repair faulty wires. The Alfeches and Manugas sent a letter to the management of VECO asking for financial assistance, which VECO denied. VECO asserted that the fire was due, not to its fault, but to that of M. Lhuillier.^[11]

As their initial claim for financial assistance was not satisfied, the Alfeches and Manugas filed a Complaint for Damages against VECO and M. Lhuillier before the Regional Trial Court of Cebu City.^[12]

During pre-trial, M. Lhuillier admitted that it was the owner of the signboard at its branch in San Fernando, Cebu. M. Lhuillier and VECO admitted that a fire destroyed the Alfeches' and Manugas' properties on January 6, 1998.^[13]

The Alfeches and Manugas presented testimonial, documentary, and object evidence. They presented as witnesses Emilio, Manugas, Mignonette Alfeche (Mignonette), and Rodolfo Rabor (Rabor).^[14]

Emilio testified that between 9:00 p.m. and 10:00 p.m. of January 6, 1998, he was awakened as their house was burning.^[15] He went out and saw a cut wire swinging and burning at the top of his roof, about three (3) to four (4) meters away.^[16] He explained that his house was also used by his son, Gilbert, as a store for various merchandise such as food, beverages, and feeds. His house adjoined an M. Lhuillier pawnshop, which had a big signboard.^[17] Emilio presented a module simulating how the fire broke out in relation to the location of the electric posts and his house.^[18] He alleged that VECO posts were transferred to their current location because of a roadwidening project. This transfer caused the sagging wire of VECO to constantly touch M. Lhuillier's signboard, which, in turn, led to the breaking and burning of the wire.^[19] The burning cut wire went swinging on top of and landed on Emilio's roof; thus, it caused the fire that burned his house.^[20]

Mignonette, the wife of Gilbert, corroborated Emilio's testimony that the fire came from the burning end of the electric wire near M. Lhuillier's signage. She presented pictures showing the location of their store and an electric post near M. Lhuillier's signage.^[21]

Rabor testified that while in the highway on his way home, he noticed a spark in the electric line near M. Lhuillier's signboard. He ran towards Emilio's house to warn the Alfeches, but before getting there, the wire had dropped on the roof and caused a fire.^[22]

Manugas attested that he owned the shop composed of "a small booth with a roof and glass window"^[23] beside Emilio's house. This shop was burned along with his tools, watches, and other equipment. He identified the police blotter stating the extent of the damage.^[24]

VECO countered with testimonies of the following persons, in addition to other documentary and object evidence: Engr. Benedicto Banaag (Engr. Banaag), Engr. Simeon Lauronal (Engr. Lauronal), Candelario L. Melencion (Melencion), Engr. Felipe Constantino (Engr. Constantino), Engr. Edwin Chavez (Engr. Chavez), and Engr. Miguel Ornopia (Engr. Ornopia).

Engr. Banaag, an electrical engineer and a lawyer who had been working with VECO for 35 years,^[25] testified that VECO sent two (2) superintendents and a general

foreman to inspect the site.^[26] The inspectors found that the cause of the incident was the constant rubbing of the wires of VECO with M. Lhuillier's signage.^[27] He also stated that M. Lhuillier's signage "was placed long after VECO installed their poles,"^[28] the relocation of which was made after the fire broke out.^[29] He claimed that their wirings and installations are in full compliance with the National Building Code and the Philippine Electrical Code, which allowed them to install their poles one half (1/2) meter inside the road-right-of-way and at least three (3) meters away from any structure.^[30] According to him, it was M. Lhuillier which violated the National Building Code by placing their signage near their pole, thereby causing the abrasion and the fire.^[31]

The Municipal Engineer of San Fernando, Cebu, Engr. Lauronal, averred that there was a road-widening project, which started in September 1997, and an accompanying construction of the drainage system, which commenced on October 6, 1997, in the Alfeches' and Manugas' area.^[32] Their team asked the mayor to seek the relocation of VECO's posts as these would be affected by the drainage construction. VECO relocated its posts and consequently, its wires moved closer to the signage of M. Lhuillier with a distance of only eight (8) inches between them.^[33] He also mentioned that the old location of VECO posts left a hole in the middle of the drainage.^[34]

Melencion, an employee of VECO for 41 years, attested that he knew of the installation of the electric wires in the area.^[35]

Engr. Constantino, also a VECO employee, testified that sometime in the last week of December, there was a complaint that the voltage in 11th Street, South Poblacion, San Fernando, Cebu was low. Upon inspection, he noticed that VECO's wires near the signage of M. Lhuillier were newly installed. He noted that the wire used in the area was "a No. 4 aluminum standard, secondary system."^[36]

Engr. Chavez was presented by VECO as an expert witness.^[37] He noted that there were two (2) kinds of secondary systems used by utility companies: the line-to-line system and the line-to-ground system.^[38] According to him, in a line-to-ground system, if one (1) of its wires was cut off, the flow of electricity would just continue; hence, this system was more likely to cause fire.^[39]

Engr. Omopia asserted that VECO used the line-to-line system for safety purposes.^[40] Further, he stated that he personally conducted area inspections and that there was no report regarding any irregularity in the signage of M. Lhuillier.^[41]

M. Lhuillier presented as its witnesses Ernesto G. Solon (Solon), Jose Edgar Camuta (Camuta), Randy Adlawan (Adlawan), and Rolando Baranquil (Baranquil).

Solon verified that he installed the signage of M. Lhuillier and emphasized that it was free from any obstacle upon installation.^[42] He noted that, in every installation, he would consider several factors:

[T]hat the signage would not touch the electrical wirings of VECO, both primary and secondary wires, for safety purposes; that no pipes of

[Metropolitan Cebu Water District] would be hit in making a hole; that the primary wires would have a distance of at least two (2) meters from the high tension wires; the secondary wires would not touch the signage and, that the signage [would] not be hit by the passing vehicles.^[43]

Camuta claimed that he won the contract to install M. Lhuillier's signage in 1995. He testified that before installing the signage, they had to ensure that it was "free from any obstacle."^[44]

Adlawan, an M. Lhuillier employee,^[45] held that "[the fire] started at the back of the house at the right portion [and spread] towards the firewall at the left side where the signage of M. Lhuillier was situated."^[46]

The Regional Trial Court ruled that the proximate cause of the injury suffered by the Alfeches and Manugas was the negligence of M. Lhuillier. It noted that based on Engr. Banaag's testimony, M. Lhuillier installed its signage long after VECO moved its poles.^[47] Thus, it was its negligence in installing and positioning its signage which led to the abrasion of VECO's power line and, ultimately, the fire.^[48]

On appeal, the Court of Appeals reversed the Regional Trial Court decision and found VECO liable in M. Lhuillier's stead.^[49] The Court of Appeals gave greater credence to the testimonies of Rabor and Engr. Lauronal, considering them to be impartial witnesses.^[50] It noted that the relocation of the posts came before the fire, occasioned by the road widening and drainage projects.^[51] Thus, VECO transferred the poles and the lines to a distance of merely eight (8) inches from M. Lhuillier's signboard. This, in turn, caused the abrasion of power lines and the fire:

These pieces of evidence move this Court to rule that it was VECO, not defendant-appellant M. Lhuillier, which was extremely remiss of its duty to ensure safe and secure transmission lines. It was utterly negligent of VECO to have allowed the transfer of the posts closer to the households without ensuring that they followed the same safety standards they used during the original installation of the posts. It must be emphasized that VECO, as the only electric distribution company in San Fernando, takes full charge and control of all the electric wires installed in the locality. It has the sole power and responsibility to transfer its wires to safe and secured places for all its consumers. However, they undoubtedly failed to observe the reasonable care and caution required of it under the circumstances. Hence, they are negligent.^[52]

The dispositive portion of the assailed Court of Appeals Decision read:

WHEREFORE, the instant appeal is GRANTED. The Decision of the Regional Trial Court Branch 11 of Cebu City dated 04 January 2006 is SET ASIDE and a New One Entered declaring defendant-appellee VISAYAN ELECTRIC COMPANY (VECO) negligent and liable for the damages suffered by the plaintiffs-appellees. The defendant-appellee VECO is ordered to pay the plaintiffs-appellees the following as temperate damages, to wit:

1. To Emilio Alfeche, the amount of P185,000.00
2. To Gilbert Alfeche, the amount of P800,000.00
3. To Emmanuel Manugas, the amount of P65,000.00

The award of moral damages is deleted.

SO ORDERED.^[53]

Following the denial of its Motion for Reconsideration, VECO filed the present Petition.^[54]

VECO insists that it is M. Lhuillier, and not itself, which should be held liable for the fire.^[55] Asserting that it was impossible for its negligence to have caused the fire, it claims that its posts were relocated only after the fire occurred.^[56] It adds that it was an error for the Court of Appeals to rely on Emilio's testimony, which it characterized as "self-serving."^[57] It asserts that no witness ever corroborated Emilio's testimony that the posts were relocated before the fire.^[58] It also challenges the findings of the Court of Appeals regarding Engr. Lauronal's testimony, claiming that he lacked personal knowledge as to when the posts were relocated and that he never testified that they were relocated before the fire.^[59] It adds that although the picture shown by Engr. Lauronal was alleged to have been taken one (1) day after the fire occurred, it was only presented three (3) years after trial had commenced. This was supposedly the only basis of Engr. Lauronal's testimony pointing to the hole where the posts were previously located.^[60] VECO also argues that the picture was not properly authenticated as required under the Rules on Evidence.^[61]

M. Lhuillier counters that Engr. Lauronal's statements clearly showed that the relocation of the posts was made before the fire. It emphasizes that Engr. Lauronal stated during cross-examination that the relocation was made because of the drainage project which was undertaken from October 6, 1997 to November 28, 1997.^[62] It further underscores that the contact between VECO's cables and its own signage would not have happened had VECO not relocated its posts.^[63]

For resolution is the sole issue of whether or not the Court of Appeals erred in ruling that petitioner Visayan Electric Company Inc.'s negligence, rather than that of respondent M. Lhuillier Pawnshop and Jewelry, was the proximate cause of the fire which razed the properties of respondents Emilio Alfeche, Gilbert Alfeche, and Emmanuel Manugas.

I

The case before this Court is replete with factual issues. Ordinarily, it is not for this Court to review factual issues in petitions such as the present Rule 45 Petition which may only raise questions of law.^[64] This rule, however, admits certain exceptions:

- (1) when the factual findings of the Court of Appeals and the trial court are contradictory;
- (2) when the findings are grounded entirely on speculation, surmises, or conjectures;