

SPECIAL THIRD DIVISION

[G.R. No. 156208, June 30, 2014]

NPC DRIVERS AND MECHANICS ASSOCIATION (NPC DAMA), represented by its President ROGER S. SAN JUAN, SR., NPC EMPLOYEES & WORKERS UNION (NEWU) - NORTHERN LUZON, REGIONAL CENTER, represented by its Regional President JIMMY D. SALMAN, in their own individual capacities and in behalf of the members of the associations and all affected officers and employees of National Power Corporation (NPC), ZOL D. MEDINA, NARCISO M. MAGANTE, VICENTE B. CIRIO, JR., and NECITAS B. CAMAMA, in their individual capacities as employees of National Power Corporation, Petitioners, VS. THE NATIONAL POWER CORPORATION (NPC), NATIONAL POWER BOARD OF DIRECTORS (NPB), JOSE ISIDRO N. CAMACHO as Chairman of the National Power Board of Directors (NPB), ROLANDO S. QUILALA, as President - Officer-in-charge/CEO of National Power Corporation and Member of National Power Board, and VINCENT S. PEREZ, JR., EMILIA T. BONCODIN, MARIUS P. CORPUS, RUBEN S. REINOSO, JR., GREGORY L. DOMINGO, NIEVES L. OSORIO and POWER SECTOR ASSETS and LIABILITIES MANAGEMENT (PSALM), Respondents.

R E S O L U T I O N

BRION, J.:

Before the Court are the following incidents:

For the petitioners National Power Corporation (NPC) Drivers and Mechanics Association (NPC DAMA), represented by its President Roger S. San Juan, Sr., NPC Employees & Workers Union (NEWU) – Northern Luzon, Regional Center, represented by its Regional President Jimmy D. Salman, in their own individual capacities and in behalf of the members of the associations and all affected officers and employees of National Power Corporation (NPC), Zol D. Medina, Narciso M. Magante, Vicente B. Cirio, Jr., and Necitas B. Camama, in their individual capacities as employees of National Power Corporation:

1. *Manifestation with Ex-Parte Very Urgent Motion to Summarily Cite Respondents and their Counsel in Contempt of Court dated January 5, 2010.*^[1]

For the respondent NPC, represented by the Office of the Solicitor General (OSG):

2. *Motion for Reconsideration (of the Resolution dated 2 December 2009) with Motion to Refer Case en consulta to the Court en banc (with prayer to hear*

parties for oral argument) dated 18 December 2009^[2];

3. *Very Urgent Plea to Defer Execution of Resolution dated 2 December 2009 (Pending Resolution of NPC's Motion for Reconsideration) and for the Issuance of a Temporary Restraining Order (To Enjoin Implementation of the Ex-Officio Sheriff's Garnishment of NPC Funds)* dated 5 January 2010^[3]; and
4. *Very Urgent Motion to Direct the Ex-Officio Sheriff Atty. Perlita Vitan-Ele and Sheriffs Rolando G. Acal, Pedro L. Borja, and Edgar R. Lucas to Show Cause as to Why They Should Not be Cited in Contempt* dated December 29, 2009.^[4]

For the respondent Power Sector Assets and Liabilities Management (PSALM), represented by the Office of the Government Corporate Counsel:

5. *Motion for Reconsideration of the December 2, 2009 Resolution (with Urgent Prayer for the Issuance of a Temporary Restraining Order and/or to hold in abeyance the Implementation of the Decision dated 26 September 2006)* dated December 4, 2009^[5]; and
6. *Urgent Reiterative Motion for the Issuance of a Temporary Restraining Order and/or to Hold in Abeyance the Implementation of the September 26, 2006 Decision* dated December 28, 2009.^[6]

THE FACTUAL BACKGROUND

We narrate below the main chronological sequence of events that led to the present motions.

In the **September 26, 2006 Decision**,^[7] the Court declared null and without legal effect **NPB Resolution Nos. 2002-124^[8] and 2002-125,^[9]** which directed the termination from the service of all employees of the NPC on January 31, 2003 in line with the restructuring of the NPC under Republic Act No. 9316 or the Electric Power Industry Reform Act of 2001 (EPIRA). The Court thereafter enjoined the implementation of the nullified NPB Resolution Nos. 2002-124 and No. 2002-125.

On January 24, 2007, the Court denied with finality the NPC's motion for reconsideration of the September 26, 2006 Decision for lack of merit.^[10]

On June 4, 2007, the Court denied the NPC's second motion for reconsideration and the motion to refer the case *en consulta* to the Court *en banc*.^[11]

In the **September 17, 2008 Resolution**,^[12] the Court partially granted the petitioners' motion for clarification and/or amplification by affirming that, as a logical and necessary consequence of our September 26, 2006 Decision, the "petitioners have the right to reinstatement, or separation pay in lieu of reinstatement, pursuant to a validly approved Separation Program; plus backwages, wage adjustments, and other benefits accruing from 31 January 2003 to the date of their reinstatement or payment of separation pay; but deducting therefrom the amount of separation

benefits which they previously received under the null NPB resolutions[.]”^[13] The Court also partially granted the motion for approval of charging attorney’s lien of Atty. Cornelio P. Aldon and Atty. Victoriano V. Orocio and ordered “the entry in the records of this case of their ten percent (10%) charging lien on the amounts recoverable by petitioners from respondent NPC[.]”^[14] The Court then ordered that entry of judgment be finally made in due course in the case at bar.^[15]

On **October 10, 2008**, an **entry of judgment** was made on the September 26, 2006 Decision and the September 17, 2008 Resolution.^[16]

On November 14, 2008, the petitioners moved for the execution of the September 26, 2006 Decision and the September 17, 2008 Resolution.^[17] Pursuant to the September 17, 2008 Resolution, the Court ordered the Regional Trial Court of Quezon City (RTC-QC) to compute the actual amounts due the petitioners and to enforce the payment thereof by execution.^[18]

In a **Resolution dated December 10, 2008**,^[19] the Court, without any opposition from the NPC, granted the petitioners’ urgent motion for execution and issued the following orders:

1. The Chairman and Members of the National Power Board and the President of the National Power Corporation (NPC) to cause the preparation of a list, under oath, of (a) the names of all NPC personnel/employees terminated and/or separated as a result of or pursuant to the nullified NPB Board Resolutions No. 2002-124 and No. 2002-125, and (b) the amounts due to each of them by way of separation pay, backwages, wage adjustments and other benefits in accordance with applicable jurisprudence on illegal dismissal cases, as well as interests due from the time the decision became final and executory. From the totality of the amounts due to the illegally dismissed NPC personnel/employees, the same officers are directed to compute the 10% charging lien thereon of Atty. Cornelio P. Aldon (Aldon) and Atty. Victoriano V. Orocio (Orocio) pursuant to the Resolution dated 17 September 2008 of this Court;
2. The Chairman and Members of the National Power Board and the President of the NPC to pay or cause to be paid immediately the amounts due to the petitioners and all other illegally dismissed NPC personnel/employees, as well as the amount of charging lien to Atty. Aldon and Atty. Orocio, in accordance with the list and computations prepared under oath pursuant to paragraph 1 hereof; and
3. The Chairman and Members of the National Power Board and the President of the NPC to respectively submit proof of their compliance of the orders of this Court as stated in paragraphs 1 and 2 hereof within thirty (30) days from receipt of this Resolution.^[20]

On February 9, 2009, the petitioners filed a Manifestation with Urgent Omnibus

Motions,^[21] praying,

first, to cite in contempt of court the Chairman and Members of NPC, the NPB, and the NPC President for their failure to comply with item (1) of the December 10, 2008 Resolution, *i.e.*, the submission of a list, under oath, of the names of all NPC personnel/employees terminated and/or separated as a result or pursuant to the nullified NPC Board Resolutions Nos. 2002-124 and 2002-125;

second, to appoint the Clerk of Court and *Ex-Officio* Sheriff of the RTC-QC, Atty. Perlita Vitan-Ele, to enforce the execution to garnish/levy the NPC's assets, including the assets of PSALM; and

third, for the Court to summon certain NPC officials^[22] to attest to pertinent official documents and submit under oath certified copies thereof.

Though aware of the filing of the petitioners' Urgent Omnibus Motions of February 9, 2009, the PSALM contends that it was not impleaded in the case and was never formally furnished a copy of the motion by the petitioners. Without submitting to the Court's jurisdiction, the PSALM filed a Manifestation^[23] on February 24, 2009 to contest the petitioners' motion to have its assets garnished and levied to satisfy the NPC's liabilities. The petitioners opposed the PSALM's argument in a Counter-Manifestation it filed with the Court.^[24]

On March 9, 2009, the NPC, through the OSG, filed its Compliance,^[25] submitting a list^[26] (not under oath) of only 16 top level employees who it claimed were terminated by the nullified NPB Resolutions No. 2002-124 and No. 2002-125.

On March 24, 2009, the petitioners filed a Comment/Manifestation and Urgent Motions^[27] to include for contempt the OSG and to summon the NPC Vice-President for Human Resource and Administration to attest and certify to certain official documents for failing to comply with the December 10, 2008 Resolution. The NPC filed a Consolidated Comment^[28] arguing that it had properly complied with the final September 26, 2006 Decision and September 17, 2008 Resolution.^[29]

In the **December 2, 2009 Resolution**,^[30] the Court ordered the respondents and their counsel to show cause why they should not be held in contempt of court for their willful failure to comply with the December 10, 2008 Resolution. The Court also ordered the respondents (the Chairperson, the Members of the NPB and the President of the NPC) to comply with the December 10, 2008 Resolution by submitting within 10 days from notice to the Clerk of Court and *Ex-Officio* Sheriff of the RTC-QC the list containing "the names of all, and not only 16, NPC personnel/employees affected by the restructuring of the NPC,"^[31] with the computation of the amounts due them from their date of illegal termination up to September 14, 2007.

The Court also ordered that the PSALM be impleaded or joined as a party-

respondent in the case as the NPC's *transferee-in-interest*.^[32]

The Pending Motions

On December 16, 2009, the PSALM filed a ***Motion for Reconsideration of the December 2, 2009 Resolution (with Urgent Prayer for the Issuance of a Temporary Restraining Order and/or to hold in abeyance the Implementation of the Decision dated 26 September 2006)***.^[33] The PSALM raised two issues:

- (a) Should the PSALM, a government corporation separate and distinct from the NPC, which acquired the assets and liabilities of the NPC by operation of law upon the effectivity of the same law, be held liable and responsible for acts committed by the NPC, almost two years after the law took effect; and,
- (b) Can the transferred NPC assets, now the PSALM assets by operation of the law, be subject of a writ of garnishment or levy, to satisfy a judgment against the NPC, despite the fact that the PSALM was not given any opportunity to present its own evidence to disprove liability?^[34]

The petitioners filed an Opposition^[35] to the PSALM's motion for reconsideration, arguing that the PSALM is liable to pay the separation pay of the NPC's employees, as it was primarily tasked by the EPIRA to administer the assets and liabilities of the NPC.

On December 18, 2009, the NPC filed a ***Motion for Reconsideration of the Resolution dated 2 December 2009, with Motion to Refer Case En Consulta to the Court En Banc***.^[36] The NPC implored the Court to re-evaluate its stance on the premise that the payment of claims was not germane to those originally presented to and adjudicated by the Court.

On December 23, 2009, the RTC-QC demanded that the NPC pay the dismissed employees, including the attorney's charging lien and the court for the lawful fees and costs for the execution of the December 2, 2009 Resolution of this Court.^[37] That same day, the RTC-QC issued notices of garnishment to Manila Electric Company^[38] (MERALCO), Land Bank of the Philippines^[39] (LBP), and Philippine National Bank^[40] (PNB).

On December 28, 2009, the PSALM filed an ***Urgent Reiterative Motion for the Issuance of a Temporary Restraining Order and/or to Hold in Abeyance the Implementation of the September 26, 2006 Decision***^[41] (or exclude from execution) on its properties.

On December 29, 2009, the NPC filed a ***Very Urgent Motion to Direct the Ex-Officio Sheriff Atty. Perlita Vitan-Ele and Sheriffs Rolando G. Acal, Pedro L. Borja, and Edgar R. Lucas to Show Cause as to Why They Should Not be Cited in Contempt***^[42] for prematurely executing the December 2, 2009 Resolution of the Court.