

FIRST DIVISION

[G.R. No. 181096, March 06, 2013]

RENO R. GONZALES,^[1] LOURDES R. GONZALES, AND REY R. GONZALES, PETITIONERS, VS. CAMARINES SUR II ELECTRIC COOPERATIVE, INC., AS REPRESENTED BY ANTONIO BORJA, JANE T. BARRAMEDA, AND REGINA (NENA) D. ALVAREZ, RESPONDENTS.

DECISION

SERENO, C.J.:

Before this Court is a Rule 45 Petition, seeking a review of the 18 December 2007 Court of Appeals (CA) Decision in CA-G.R. CV No. 86075,^[2] which deleted the award of actual damages, exemplary damages, and attorney's fees and reduced the moral damages granted to petitioners in the 25 June 2005 Decision of the Regional Trial Court (RTC) of Naga City, Branch 27 in Civil Case No. 99-4439.^[3]

The antecedent facts are as follows:^[4]

Petitioner spouses Reno Gonzales (Reno) and Lourdes Gonzales owned an apartment for rent at Naga City, Unit No. 11-A of which was rented out to Mr. and Mrs. Samuel Samson (Samsons). These lessees reneged on their obligation to pay the unit's electric bills for the second semester of 1992. As a result, respondent Camarines Sur II Electric Cooperative, Inc. (CASURECO) disconnected the power supply.

Nevertheless, electric power was restored to the unit when the Samsons executed a Promissory Note in favor of CASURECO promising to pay their overdue electric bills.

The spouses Gonzales then protested the restoration of the power supply to the unit, given the accumulating unpaid electric bills of their lessees for the second semester of 1992.^[5] Acting belatedly on the protest, CASURECO terminated the power supply of the unit at the time that the Samsons vacated it.

With a new lessee about to occupy the unit, the spouses Gonzales wrote CASURECO and sought a dialogue with its area manager, Jane Barrameda, to restore the unit's power supply. As a result of their dialogue, the parties reached a compromise agreement, whereby CASURECO would restore power supply to the unit and remove its old accountabilities, provided that petitioners would deposit the equivalent of two monthly electric bills of the Samsons. Accordingly, petitioners complied with their obligation which resulted in the restoration of the power supply to the unit.

On 9 December 1994, the power supply to the unit was again cut off. Thus, Reno wrote to respondents and reminded them of the compromise agreement to remove

the old accountabilities of the unit. Thereafter, electric power was restored.

Later on, the spouses' son, petitioner Rey R. Gonzales (Rey), together with his family, occupied the unit without any interruption of electric supply. However, in some electric bills issued by CASURECO, the company required the payment of both the current consumption and the past electric bills. The bills contained a notice of disconnection of electric services if the dues were not paid. All in all, from 1992 to 1999, petitioners constantly reminded respondent of their compromise agreement, which had already committed CASURECO to write off the past unpaid power bills.

Of these bills, the electric bill^[6] for 23 August 1999 to 23 September 1999 in the amount of P1,148.17 included the past unpaid electric bills in the total amount of P11,6745.22 [sic].^[7] Rey tendered only P1,148.17 as payment for the current consumption, which the teller of CASURECO refused to accept.

Days after the bill's due date, CASURECO allowed petitioners to pay only the current consumption. Reno subsequently went to the office of respondent to pay, but he angrily left the premises because the teller wanted to collect the surcharge of P21 for late payment.

As a result, petitioners filed a Complaint against respondents for consignment, mandamus, injunction and damages before the RTC in order to permanently remove the old accountability left by the Samsons in the electric bill and to prevent respondents from disconnecting the unit's power supply. They also consigned to the trial court the charges for their current electric consumption amounting to P1,148.17.

In its 25 June 2005 Decision,^[8] the RTC accepted the consignment of petitioners as effective payment for the unit's current electric consumption. It also adjudged that they were not liable for the past unpaid electric bills of the Samsons by virtue of a valid and binding compromise agreement^[9] between petitioners and CASURECO.

Furthermore, the RTC found that respondents harassed petitioners with constant threats of electric service disconnection. For seven years, they had to keep going to CASURECO's office every time they received a monthly bill, only to explain to the management that the unit's old accountabilities had long been settled. In order to teach CASURECO a lesson and to prevent such wanton, fraudulent, reckless, oppressive and malevolent acts from happening to other hapless consumers, the RTC granted actual, moral, and exemplary damages, as well as attorney's fees and cost of suit in favor of petitioners.^[10] The dispositive portion reads:

WHEREFORE, the Court finds for the Plaintiffs and hereby declares/orders that:^[11]

A) The consignment made by plaintiffs is valid; there was a compromise agreement by and between plaintiffs and defendant on the old accountability incurred by the previous lessee - Mr. Samson; The plaintiffs are not liable to pay for the electric power consumption of their previous lessee Mr. Samson, and defendant is ordered to desist from cutting

electric service to the Unit by reason of such non-payment by, or liability of, Mr. Samson.

B) Defendant CASURECO to pay Plaintiffs:

1. Actual damages in the amount of Pesos: Five Thousand (P5,000.00);
2. Moral damages in the amount of Pesos; Fifty Thousand (P50,000.00);
3. Exemplary damages in the amount of Pesos: Fifty Thousand (P50,000.00);
4. Attorney's fees on quantum meruit basis in the amount of Pesos: Fifty Thousand (P50,000.00);
5. The cost of suit in the amount of not less than Pesos: Two Thousand Eight Hundred Sixty and Seventy[-]Five Centavos (P2,860.75).

SO ORDERED.

Aggrieved, respondents appealed to the CA and raised new issues pertaining to the solidary liability of the spouses Gonzales and the Samsons for the unpaid electric bills. The appellate court no longer discussed the assigned error for having been alleged only for the first time on appeal.

In this respect, petitioners obtained favorable judgment from the CA resulting in the affirmation of the RTC's ruling that, by virtue of a compromise agreement, petitioners were not liable for the old accountabilities of the unit. This Court notes that since this particular issue was not appealed by either petitioners or respondents, this matter is already considered settled and final between the parties.

[12]

However, the CA modified the award of damages.^[13] It deleted the award of actual damages in the amount of P5,000, because petitioners failed to submit receipts or any other proof to substantiate the pecuniary loss they had incurred in restoring the unit's power supply. It also removed the grant of exemplary damages based on the finding that CASURECO's actions did not evince bad faith.

The CA further explained that petitioners, as the winning party, were not automatically entitled to attorney's fees. It reasoned that none of the instances of granting that award as enumerated in Article 2208 of the Civil Code existed in the case. Hence, it deleted the grant of attorney's fees. Moreover, it ruled that the RTC's award of moral damages to petitioners was excessive. It thus reduced the award of moral damages from ₱50,000 to ₱25,000.

Dissatisfied with the deletion and reduction of compensation for damages, petitioners seek from this Court the grant of the following: (1) actual damages or, in the alternative, temperate damages; (2) exemplary damages; (3) attorney's fees; and (4) an increase in the award of moral damages. Clearly, the sole contention raised in the instant appeal is whether or not petitioners are entitled to the

aforementioned damages.

RULING OF THE COURT

Actual Damages vis à vis Temperate Damages

From the years 1992 to 1999, petitioners maintain that they are entitled to compensatory damages because of their actual expenditures in going to and from CASURECO's office in order to forestall the disconnection of the unit's power supply. These expenses allegedly include transportation and gasoline, postage of letters, photocopying, and printing of documents.

Despite the enumeration of expenditures, the claim of petitioners for actual damages cannot be granted. In *People v. Buenavidez*,^[14] this Court stressed that only expenses supported by receipts, and not merely a list thereof, shall be allowed as bases for the award of actual damages. As admitted by petitioners themselves,^[15] none of these expenses, which were incurred over a span of seven years, was backed up by documentary proof such as a receipt or an invoice. Considering, therefore, that adequate compensation is awarded only if the pecuniary loss suffered is proven^[16] by competent proof and by the best evidence obtainable showing the actual amount of loss,^[17] the CA correctly denied petitioners' claims for actual damages.

In the alternative, petitioners contend anew in their Rule 45 Petition that they are entitled to temperate damages. They argue that they definitely suffered pecuniary losses, as they had to keep going back to CASURECO's office to complain about the old accountabilities of the Samsons.

Anent this contention, we rule in favor of petitioners. Prefatorily, even if this claim was raised only for the first time on appeal and, hence, generally not cognizable by this Court,^[18] we have nevertheless given due course to newly raised questions that are closely related to or dependent on an assigned error.^[19] As an illustrative case, we have resolved the issue of temperate damages in *Viron Transportation Co., Inc. v. Delos Santos*,^[20] albeit raised only in the petition for review on certiorari filed before this Court.

Article 2224 of the Civil Code provides that temperate damages may be recovered when the court finds that some pecuniary loss has been suffered but its amount cannot, from the nature of the case, be provided with certainty.

Notwithstanding the wording of the Civil Code cited above, we have already settled in jurisprudence^[21] that even if the pecuniary loss suffered by the claimant is capable of proof, an award of temperate damages is not precluded. The grant of temperate damages is drawn from equity to provide relief to those definitely injured. Therefore, it may be allowed so long as the court is convinced that the aggrieved party suffered some pecuniary loss.^[22]

Here, the RTC acknowledged that petitioners suffered some form of pecuniary loss when it accepted as fact that they went back and forth to the office of CASURECO at Del Rosario, Naga City, to settle the account of the Samsons. Although the CA did