

SECOND DIVISION

[G.R. No. 189127, April 25, 2012]

NATIONAL POWER CORPORATION, PETITIONER, VS. SPOUSES BERNARDO AND MINDALUZ SALUDARES, RESPONDENTS.

D E C I S I O N

SERENO, J.:

This Rule 45 Petition questions the 21 July 2009 Decision of the Court of Appeals (CA),^[1] which affirmed the 10 September 2002 Decision of the Regional Trial Court (RTC),^[2] Branch 31, Tagum City. The RTC had ruled that respondent spouses are entitled to P4,920,750 as just compensation for the exercise of the power of eminent domain by petitioner National Power Corporation (NAPOCOR).

Sometime in the 1970s, NAPOCOR constructed high-tension transmission lines to implement the Davao-Manat 138 KV Transmission Line Project.^[3] These transmission lines traversed a 12,060-square meter portion of a parcel of agricultural land covered by Transfer Certificate of Title (TCT) No. T-15343 and owned by Esperanza Pereyras, Marciano Pereyras, Laureano Pereyras and Mindaluz Pereyras.

In 1981, NAPOCOR commenced expropriation proceedings covering TCT No. T-15343 in *National Power Corporation v. Esperanza Pereyras, Marciano Pereyras, Laureano Pereyras and Mindaluz Pereyras*.^[4] These proceedings culminated in a final Decision ordering it to pay the amount of P300,000 as just compensation for the affected property.^[5]

The trial court issued an Order^[6] subrogating Tahanan Realty Development Corporation to the rights of the defendants in *National Power Corporation v. Pereyras*. Pursuant to this Order, NAPOCOR paid the corporation the judgment award of P300,000^[7] and Tahanan Realty Development Corporation executed a Deed of Absolute Sale in favor of the former.^[8] This Deed covered Lot 481-B, Psd-11012718, which was a portion of Lot 481, Cad. 276 of Barrio Magugpo, Municipality of Tagum, Davao.^[9]

Respondent Spouses Bernardo and Mindaluz Pereyras-Saludares are registered owners of a 6,561-square-meter parcel of land covered by TCT No. T-109865,^[10] more particularly described as follows:

A parcel of land (Lot 15, Pcs-11-000704, Amd.), being a portion of Lots 481-D, Psd-11-012718; 480-B, Psd-51550; H-148559 & 463-A-2 (LRC)

Psd-150796, situated in the Barrio of Magugpo, Mun. of Tagum, Province of Davao, Island of Mindanao. x x x^[11]

On 19 August 1999, respondents filed the instant Complaint against NAPOCOR and demanded the payment of just compensation. They alleged that it had entered and occupied their property by erecting high-tension transmission lines therein and failed to reasonably compensate them for the intrusion.^[12]

Petitioner averred that it already paid just compensation for the establishment of the transmission lines by virtue of its compliance with the final and executory Decision in *National Power Corporation v. Pereyras*. Furthermore, assuming that respondent spouses had not yet received adequate compensation for the intrusion upon their property, NAPOCOR argued that a claim for just compensation and damages may only be filed within five years from the date of installation of the transmission lines pursuant to the provisions of Republic Act (R.A.) No. 6395.^[13]

Pretrial terminated without the parties having entered into a compromise agreement.^[14] Thereafter, the court appointed Lydia Gonzales and Wilfredo Silawan as Commissioners for the purpose of determining the valuation of the subject land.^[15] NAPOCOR recommended Loreto Monteposo as the third Commissioner,^[16] but later clarified that its conformity to the appointment of commissioners was only for the purpose of determining the exact portion of the subject land, and that it was not admitting its liability to pay just compensation.^[17]

After the proceedings, the Commissioners recommended the amount of ₱750 per square meter as the current and fair market value of the subject property based on the Schedule of Market Values of Real Properties within the City of Tagum effective in the year 2000.^[18]

Trial on the merits ensued. On 10 September 2002, the Court rendered judgment in favor of respondent spouses, the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered in favor of the plaintiffs, and against the defendant-National Power Corporation, ordering the latter to pay the plaintiffs the Just Compensation as herein fixed which they claimed for the use, occupation and utilization of their land from which it benefited and profited since January 1982, as follows:

First: To pay plaintiff Spouses Bernardo and Mindaluz Saldares as just compensation of their 6,561 square meters, more or less, titled land covered by TCT No. T-109865 of the Registry of Deeds of Davao del Norte hereby fixed in the amount of FOUR MILLION NINE HUNDRED TWENTY THOUSAND SEVEN HUNDRED FIFTY (P4,920,750.00) PESOS, Philippine Currency, plus interest at the rate of 12% per annum reckoned from January 01, 1982, until said amount is fully paid, or deposited in Court;

Second: To pay plaintiffs-spouses Bernardo and Mindaluz Saldares attorney's fees of Fifty Thousand (P50,000.00) Pesos, Philippine Currency, plus appearance fee of P2,000.00 per appearance and litigation

expenses which shall be supported in a Bill of Costs to be submitted for the Court's approval;

Third. – To pay the costs of the suit.

Fourth. – For utter lack of merit, the counterclaim is dismissed.

SO ORDERED.^[19]

NAPOCOR appealed the trial court's Decision to the CA.^[20] After a review of the respective parties' Briefs, the appellate court rendered the assailed Decision on 21 July 2009, denying NAPOCOR's appeal and affirming the trial court's Decision, but reducing the rate of interest to 6% per annum.^[21]

Aggrieved, petitioner then filed the instant Rule 45 Petition before this Court.

The Issues

The pivotal issues as distilled from the pleadings are as follows:

1. Whether NAPOCOR has previously compensated the spouses for establishing high-tension transmission lines over their property;
2. Whether the demand for payment of just compensation has already prescribed;
3. Whether petitioner is liable for only ten percent of the fair market value of the property or for the full value thereof; and
4. Whether the trial court properly awarded the amount of ₱4,920,750 as just compensation, based on the Approved Schedule of Market Values for Real Property in Tagum City for the Year 2000.

The Court's Ruling

We uphold the Decisions of the CA and the RTC.

I

NAPOCOR failed to prove that it had adequately compensated respondents for the establishment of high tension transmission lines over their property

NAPOCOR argues that the parcel of land involved in the instant Petition had already been expropriated in *National Power Corporation v. Pereyras*.^[22] In support of this argument, it alleges that one of the sources of the spouses' TCT No. T-109865 is TCT No. 39660; and that TCT No. 39660 is a transfer from TCT No. T-15343, the subject land in *National Power Corporation v. Pereyras*.^[23] Thus, having paid just compensation to Tahanan Realty Development Corporation, the successor-in-interest of defendants Pereyras in the aforementioned case, petitioner submits that it should no longer be made to pay just compensation in the present case.

We disagree.

While it is true that respondent spouses' TCT No. T-109865 was indeed indirectly sourced from TCT No. T-15343, the CA correctly ruled that NAPOCOR failed to prove that the lands involved in *National Power Corporation v. Pereyras* and in the instant Petition are identical. One cannot infer that the subject lands in both cases are the same, based on the fact that one of the source titles of TCT No. T-109865 happens to be TCT No. T-38660, and that TCT No. T-38660 itself was derived from T-15343.

Furthermore, the evidence before us supports respondent spouses' contention that the lands involved in both cases are different. *National Power Corporation v. Pereyras* involved Lot 481-B, Psd-11012718, which was a portion of Lot 481, Cad. 276 of Barrio Magugpo, Municipality of Tagum, Davao.^[24] On the other hand, the instant Petition involves Lot 15, Pcs-11-000704, Amd., which is a portion of Lots 481-D, Psd-11-012718; 480-B, Psd-51550; H-148559 and 463-A-2 (LRC), Psd-150796, in Barrio Magugpo, Municipality of Tagum, Davao. Clearly, these lots refer to different parcels of land.^[25]

We rule, therefore, that NAPOCOR failed to prove its previous payment of just compensation for its expropriation of the land in question.

II

The demand for payment of just compensation has not prescribed

Petitioner maintains that, in the event respondent spouses have not been adequately compensated for the entry into their property, their claim for just compensation would have already prescribed,^[26] pursuant to Section 3 (i) of R.A. No. 6395, as amended by Presidential Decrees Nos. 380, 395, 758, 938, 1360 and 1443. This provision empowers the NAPOCOR to do as follows:

x x x [E]nter upon private property in the lawful performance or prosecution of its business or purposes, including the construction of the transmission lines thereon; Provided, that the owner of such private property shall be paid the just compensation therefor in accordance with the provisions hereinafter provided; **Provided, further, that any action by any person claiming compensation and/or damages shall be filed within five (5) years after the right-of-way, transmission lines, substations, plants or other facilities shall have been established;** Provided, finally, that after the said period no suit shall be brought to question the said right-of-way, transmission lines, substations, plants or other facilities nor the amounts of compensation and/or damages involved. (Emphasis supplied.)

NAPOCOR's reliance on this provision is misplaced.

The right to recover just compensation is enshrined in no less than our Bill of Rights, which states in clear and categorical language that "[p]rivate property shall not be taken for public use without just compensation."^[27] This constitutional mandate