

SECOND DIVISION

[G.R. No. 160923, January 24, 2011]

**MOISES TINIO, JR. AND FRANCIS TINIO, PETITIONERS, VS.
NATIONAL POWER CORPORATION, RESPONDENT.**

[G.R. NO. 161093]

**NATIONAL POWER CORPORATION, PETITIONER, VS. MOISES
TINIO, JR. AND FRANCIS TINIO, RESPONDENT.**

D E C I S I O N

PERALTA, J.:

Before the Court are two consolidated petitions for review on *certiorari* under Rule 45 of the Rules of Court both seeking the reversal and setting aside of the Decision^[1] of the Court of Appeals (CA) in CA-G.R. CV No. 70252, dated November 19, 2003. The assailed CA Decision modified the Resolution^[2] dated January 22, 2001, of the Regional Trial Court (RTC) of Urdaneta, Pangasinan, Branch 48 in Civil Case No. U-6938.

The pertinent factual and procedural antecedents of the case are as follows:

The National Power Corporation (NPC) is a government-owned and controlled corporation created and existing by virtue of Republic Act No. 6395,^[3] as amended by Presidential Decree No. 938. The main purpose of the NPC, as stated in its charter, is to undertake the development of hydroelectric generation of power and the production of electricity from nuclear, geothermal and other sources, as well as the transmission of electric power on a nationwide basis. In order to accomplish its objectives, the NPC is granted the power, among others, to exercise the right of eminent domain.

For purposes of constructing and maintaining its San Roque Multi-Purpose Project, which is one of the major undertakings of the government for North Luzon, the NPC filed on October 13, 1999 a complaint for eminent domain with the RTC of Urdaneta, Pangasinan against Moises Tinio, Jr. and Francis Tinio (hereafter collectively referred to as the Tinios) for the purpose of expropriating a parcel of land owned by the Tinios. The subject property, consisting of 52,710 square meters, denominated as Lot 14556-A and covered by Transfer Certificate of Title (TCT) No. T-5775, is located at *Barangay San Roque, San Manuel, Pangasinan*.

Prior to filing its complaint, the NPC took possession of the subject land on February 9, 1998 by virtue of a Permit to Enter signed by Moises.

During the pre-trial conference, one of the stipulations proposed by the NPC and admitted by the Tinios is the authority of the NPC to expropriate the subject lot.

Thus, the parties agreed that the only issue left for determination by the trial court is the just compensation to be paid to the Tinios.

Commissioners were then appointed to appraise the value of the subject property and, thereafter, to make a recommendation to the RTC. Subsequently, the commissioners made separate reports and recommendations.

On January 22, 2001, the trial court issued a Resolution disposing of the case as follows:

WHEREFORE, PREMISES CONSIDERED, the Court hereby orders the National Power Corporation to pay defendants Moises Tinio, Jr. and Francis Tinio the amount of P12,850,400.00, plus legal interest until fully paid as just compensation for Lot No. 14556 under TCT No. T-5775 with a total area of 52,710 sq.m.

Costs against the plaintiff.

SO ORDERED.^[4]

NPC filed a Motion for Reconsideration,^[5] but the same was denied by the RTC in an Order^[6] dated February 20, 2001.

Thereafter, the NPC appealed the January 22, 2001 Resolution and February 20, 2001 Order of the RTC with the CA.

On November 19, 2003, the CA rendered its presently assailed Decision, with the following dispositive portion:

In view of the Foregoing, the resolution appealed from is MODIFIED, in that the NPC is ordered to pay the defendants as just compensation for the land taken from them, the amount of P2,343,900 with legal interest of 6 percent [per] annum from February 9, 1998 until paid.

SO ORDERED.^[7]

Feeling aggrieved, both the NPC and the Tinios are now before this Court arguing that the CA committed error in its judgment.

Praying that the judgment of the RTC be reinstated, the Tinios contend that the CA erred in affirming the findings of the RTC that the NPC took possession of, or entered upon, the subject property on February 9, 1998.

They also argue that the CA erred in arriving at a lower amount of just compensation than that arrived at by the RTC on the ground that before the NPC made improvements on the subject property, the same was already classified as industrial or commercial land. The Tinios claim that in 1997, the NPC declared its properties in *Barangay* San Roque, San Manuel, Pangasinan, as commercial lands