

THIRD DIVISION

[G.R. No. 166553, July 30, 2009]

**REPUBLIC OF THE PHILIPPINES REPRESENTED BY THE
NATIONAL POWER CORPORATION, PETITIONER, VS. SPOUSES
RUPERTO LIBUNAO AND SONIA P. SANOP & HEIRS OF BENITA
DOMINGO, RESPONDENTS.**

D E C I S I O N

PERALTA, J.:

Assailed in this petition for review on *certiorari* filed by the petitioner National Power Corporation is the Decision^[1] dated April 30, 2004 and the Resolution^[2] dated January 3, 2005 of the Court of Appeals (CA) in CA-G.R. CV No. 70582 entitled, "National Power Corporation v. Spouses Ruperto Libunao and Sonia P. Sanopo and Heirs of Benita Domingo.

The antecedents, as summarized by the Regional Trial Court (RTC) and adopted by the CA, are as follows:

This is an action for Eminent Domain filed by the plaintiff National Power Corporation, a government-owned and controlled corporation, created and existing by virtue of Rep. Act No. 6395, as amended, against the defendants spouses Ruperto Libunao and Sonia P. Sanopo, and the defendants heirs of Benita Domingo, namely: spouses Antonio Apacible & Clarita Sioson and spouses Eligio Garcia & Salud Sioson, represented by Clarita S. Apacible.

The plaintiff is seeking to expropriate the following properties:

1. Lot No. 1277-A-3-A covered by Transfer Certificate of Title 52726, under Tax Declaration No. 05203-00456, located at Sumacab Norte, Cabanatuan City, with an area of 1,212 square meters registered in the name of Sonia P. Sanopo, married to Ruperto Libunao, issued by the Register of Deeds of Cabanatuan City;
2. A portion of 4,380 square meters of Lot No. 1236 covered by Transfer Certificate of Title No. 889 issued by the Register of Deeds of Cabanatuan City, with a total area of 113,745 square meters in the name of Heirs of Benita Domingo, namely: Clarita Sioson, married to Antonio Apacible, and Salud Sioson, married to Eligio Garcia, covered by Tax Declaration No. 05201-00207, located at Sumacab Norte, Cabanatuan City;

in order to construct and maintain its Cabanatuan-Talavera 69 KV Transmission Line Project for public purpose, hence, the need to acquire an easement of right- of- way over the affected portions of the above-described parcels of land.

The defendants, through their lawyers filed their answers to the plaintiff's complaint.

Upon motion of the plaintiff, a writ of possession was issued by the court and on January 7 and 8, 1998, the plaintiff was placed in possession of the properties in question.

Upon motion of Atty. Marianito Bote, Reynaldo Joson, Pablo Mamaclay and Clodualdo Adao were allowed to intervene by the Court.

This Court, upon motion of the parties and pursuant to Sec. 5, Rule 67 of the Rules of Court created a Commission or Committee composed of a Chairman and two members. The City Assessor of Cabanatuan, Lorenza Esguerra, was appointed as Chairwoman and the members are Oligario B. Enrile for the defendants and Atty. Manuel Bugayon and Atty. Henry Alog for the plaintiff. The Chairman and the members took their oaths of office.

A City Appraisal Committee was likewise formed composed of City Assessor Lorenza Esguerra as Chairwoman and City Treasurer Bernardo C. Pineda and City Engineer Mac Arthur S. Yap, all of Cabanatuan City as members.

The aforesaid City Appraisal Committee of Cabanatuan issued Resolution No. 07-[S]-2000 dated March 22, 2000 whereby it resolved that Lot No. 1277-A-3-A with an area of 1,212 square meters registered in the name of defendant Sonia Sanopo, married to Ruperto Libunao has a current and fair market value which may be appraised at P2,200 per square meter.

Likewise, said Appraisal Committee issued Resolution No. 08-[S]-2000 dated March 22, 2000 whereby it resolved that a portion of 4,480 square meters of Lot 1236 registered in the name of the Heirs of Benita Domingo has a current and fair market value which may be appraised at P1,200 per square meter.

Atty. Henry P. Alog, appointed Commissioner of the National Power Corporation submitted his Commissioner's Report dated June 7, 2000 and made the following recommendations:

1. For plaintiff NPC to pay defendants for those areas affected that is classified and is actually devoted for agricultural purposes, an easement fee equivalent to 10% of the market value of the agricultural lots based on the area covered by the right-of-way

clearance;

2. For plaintiff NPC to acquire and pay defendant Libunao the full market value of his property (174.00 sq. m.) that is classified as residential lot.

The plaintiff NPC paid all the defendants and intervenors the damages to improvements existing on their lands such as palay crops, fruit, trees, etc.

On August 29, 1997, the City Appraisal Committee of Cabanatuan composed of City Assessor Engr. Norberto P. Cajucom, as Chairman and City Treasurer Bernardo C. Pineda and City Engineer Mac Arthur S. Yapas, members, issued Resolution No. 03-[S]-97 recommending that the current and fair market value of the lots in question be appraised at P700.00 per square meter for residential lot and P460.00 per square meter for agricultural lot. Hence, the said committee recommended the total amount of P122,919.61 as payment for the 1,212.00 square meters of the land owned by the defendant Sonia P. Sanopo, married to Ruperto Libunao and the total amount of P204,480.00 as payment for the 4,380 square meters of land owned by the defendants heirs of Benita Domingo.

[3]

On January 5, 2001, the RTC, taking into consideration the Commissioners' Reports, issued its Decision,^[4] the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered:

1. Upholding the right of the plaintiff to expropriate the properties of the defendants which are particularly described below for public use or purpose as stated in the complaint;
2. Ordering the plaintiff National Power Corporation to pay the defendants spouses Ruperto Libunao and Sonia P. Sanopo the total sum of P1,818,000.00 at the rate of P1,500.00 per square meter of Lot 1277-A-3-A covered by Transfer Certificate of Title No. T-52726 issued by the Register of Deeds of Cabanatuan City in the name of Sonia P. Sanopo, married to Ruperto Libunao, located at Sumacab Norte, Cabanatuan City with an area of 1,212 square meters covered by Tax Declaration No. 05203-00456;
3. Ordering the plaintiff to pay the defendants heirs of Benita Domingo the total sum of P2,628,000.00 at the rate of P600.00 per square meter of a portion of 4,380 square meters of Lot 1236 covered by Transfer Certificate of Title No. T-889 issued by the Register of Deeds of Cabanatuan City in the names of the heirs of Benita Domingo, namely: spouses Antonio Apacible and Clarita Sioson, and Spouses Eligio Garcia and Salud Sioson, located in Sumacab Norte,

Cabanatuan City, covered by Tax Declaration No. 05201-00207;

4. Ordering the plaintiff to pay the said defendants the legal rate of interest of the said amounts of compensation fixed by this Court from the taking of the possession of the properties in question by the plaintiff on January 7 and 8, 1998, until fully paid;
5. Ordering the plaintiff to pay the costs of this suit;
6. Ordering a certified copy of this judgment or decision to be recorded in the Office of the Register of Deeds of Cabanatuan City upon its finality.

SO ORDERED.^[5]

In so ruling, the RTC considered the 3 recommendations/resolutions of different dates submitted to it by the City Appraisal Committee (CAC) of Cabanatuan City for the purpose of ascertaining the just compensation for the subject properties to wit: Resolution No. 03-S-97 dated August 29, 1997, and Resolution Nos. 07-S-2000 and 08-S-2000 both dated March 22, 2000, and the Report submitted by Commissioner Henry P. Alog for petitioner. It ruled that the amount of just compensation should be based on the value of the property as of the date of its taking or the filing of the complaint, whichever came first; that petitioner's complaint was filed on October 30, 1997 and petitioner's taking of the properties was made on January 7 and 8, 1998, thus, the just compensation for the expropriated property should be reckoned from October 30, 1997.

The RTC did not give its approval to CAC's recommended appraised value of P2,200 per sq. meter for respondents Spouses Libunao's property and P1,200 per sq. meter for the property of respondents Heirs of Domingo, because the appraisals were determined in 2000 and not on October 30, 1997 when the complaint was filed. The RTC then fixed the value of the properties of respondents Spouses Libunao at P1,500 per sq. meter and of respondents Heirs of Domingo at P600.00 per sq. meter.

Dissatisfied, petitioner and respondents Heirs of Domingo separately appealed the RTC Decision to the CA.

On April 30, 2004, the CA issued its assailed Decision, the dispositive portion of which reads:

WHEREFORE, the appealed Decision dated January 5, 2001 is MODIFIED. The amount of just compensation to be paid to the Sps. Libunao and to the Heirs of Domingo for NPC's taking of their properties with an area of 1,212 square meters and 4,380 square meters described in TCT No. 52776 and T-889, respectively, is hereby fixed at P700.00 per square meter for residential land and P460.00 per square meter for agricultural land. The costs of suit awarded in favor of the Sps. Libunao and the Heirs of Benita Domingo are deleted.^[6]

Anent petitioner's appeal assailing the amounts fixed by the RTC as the fair market value for the subject properties, the CA found that CAC Resolution No. 03-S-97 dated August 29, 1997, recommending the rates of P700.00 per sq. meter for residential lot and P460.00 per sq. meter for agricultural lot was the most reliable proof of valuation; that, as between the valuation based on the prevailing market value on March 22, 2000, or almost three years after the filing of the complaint, and another based on the appraisal made on August 29, 1997, or two months prior to the filing of the complaint, the latter was considered as the just and equitable basis for compensation being the closest assessment of the market value of the properties to the time the expropriation complaint was filed.

The CA found no reversible error committed by the RTC in ordering the acquisition of the entire 1,212 sq. meters of land owned by respondents Spouses Libunao, since in the document entitled DATA OF LOT EXPROPRIATED, which was attached to Commissioner Alog's Report, it was admitted that the total land area affected was 1,212 sq. meters for respondents Spouses Libunao and 4,380 sq. meters for respondents Heirs of Domingo.

The CA upheld the RTC's award of legal interest on the amount of compensation since a judgment in expropriation proceedings must provide for the payment of legal interest as a matter of law from the time the government took over the land until it paid the owners thereof, thus, the government is liable to pay 6% if no immediate payment was made for the value of the property at the time of actual taking. It found that the amount which petitioner allegedly deposited in a bank merely represented the provisional value of the properties sought to be expropriated to enable it to take possession of the land; that the amount withdrawn by the property owners corresponded to the consequential loss or damage to improvements suffered by the owners due to the installation of the transmission lines. The RTC's award of the cost of the suit was deleted since petitioner's charter exempts it from the obligation to pay the costs of the proceedings.

The CA found no merit on the appeal of respondents Heirs of Domingo and ruled that the valuation embodied in Resolution No. 03-S-97 dated August 29, 1997 be also made applicable to them.

Petitioner moved for a partial reconsideration of the Decision, which the CA denied in its Resolution^[7] dated January 3, 2005.

Hence, herein petition assigning the following errors committed by the CA:

THE COURT OF APPEALS SERIOUSLY ERRED IN PRONOUNCING THAT THE EXPROPRIATION SHOULD COVER THE ENTIRE AREA OF RESPONDENTS' PROPERTIES, ALTHOUGH ONLY A RIGHT-OF-WAY EASEMENT THEREON WAS ACTUALLY TAKEN AND BEING USED BY PETITIONER.

THE COURT OF APPEALS GRAVELY ERRED IN REQUIRING PETITIONER TO PAY INTERESTS TO BE RECKONED FROM THE DATE OF TAKING UNTIL FULL PAYMENT OF THE WHOLE PROPERTY.^[8]