

## THIRD DIVISION

[ CA-G.R. CV NO. 97693, May 29, 2014 ]

**NATIONAL CORPORATION, PLAINTIFF-APPELLANT, VS. ALLIED BANKING CORPORATION, REPRESENTED BY ITS PRESIDENT, FEDERICO C. PASCUAL, DEFENDANT-APPELLEE.**

### DECISION

**DE GUIA-SALVADOR, R., J.:**

The appeal at bench seeks the modification of the Order<sup>[1]</sup> dated July 14, 2011 issued by the Regional Trial Court of Tanauan City, Batangas, Branch 83 (*court a quo*), in Civil Case No. C-074, the dispositive portion of which, reads:

"WHEREFORE, in light of all the foregoing, and as agreed by the parties, judgment is hereby rendered ordering the plaintiff to pay just compensation which is hereto fixed by this Court in the amount of One Thousand Five Hundred Pesos (P1,500.00) per square meter for the total area of the subject property of 15,240.05 square meters.

Furnish copies of this Order to the parties and their respective counsels.

SO ORDERED."<sup>[2]</sup>

### *The Facts*

Plaintiff-appellant National Power Corporation (**NAPOCOR**) is a government-owned and controlled corporation<sup>[3]</sup> tasked among others, to undertake the transmission of electric power on a nationwide basis and to engage in the construction, operation and maintenance of power plants for the purpose of supplying power to the inhabitants of the Philippines.<sup>[4]</sup> To accomplish its objectives, NAPOCOR was vested with the power of eminent domain.<sup>[5]</sup>

In fulfillment of its mandate, NAPOCOR commenced the construction of the Calaca-Dasmariñas 230 KV Transmission Line Project, for which it sought to acquire easements of right-of-way over the following parcels of land measuring 17,404.25 square meters located in Barangay Palipanan, Laurel, Batangas, and registered under the name of the defendant-appellant Allied Banking Corporation (Allied Bank),<sup>[6]</sup> viz:

Lot/ Block No.	TD No.	TCT No.	Total Area in sq. m.	Area affected in sq. m.	Assessed Value of Area Affected
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4-2	017- T- 0001530800	1,199	520	P2,184.00
6- 2 <sup>[7]</sup>	017- T- 0001630801	2,178	40	P168.00
10- 2 <sup>[8]</sup>	017- T- 0001730802	2,784	407.5	P1,711.50
11-2	017- T- 0001830803	2,765	1,172	P4,922.4
12-2	017- T- 0001930804	1,880	648	P2,721.60
14-2	017- T- 0002030805	2,607	1,197	P5,027.40
16-2	017- T- 0002130806	1,070	343	P1,440.60
17-2	017- T- 0002230807	2,216	1,274	P5,350.80
20-2	017- T- 0002330808	1,903	1,250	P5,250.00
21-2	017- T- 0002430809	1,239	420	P1,764.00
22-2	017- T- 0002530810	1,204	324	P1,360.80
23-2	017- T- 0002630811	2,718	1,128	P4,737.60
26-2	017- T- 0002730812	2,289	796.25	P3,344.25
28-2	017- T- 0002830813	2,487	1,587.5	P6,667.50
29-2	017- T- 0002930814	1,354	480	P2,016.00
30-2	017- T- 0003030815	1,220	504	P2,116.80
25-3	017- T- 0005430839	3,260	1,314	P5,518.80
26-3	017- T- 0004030840	2,632	2,072	P8,702.40
27-3	017- T- 0005630841	2,696	899	P3,775.80
1-4	017- T- 0006430849	1,290	259	P1,087.80
29-3	017- T- 0005830843	3,446	769.5	P3,231.90
<b>TOTAL 56,68217,404.25 P73,099.95<sup>[9]</sup></b>				

NAPOCOR and Allied Bank commenced negotiations for the former's acquisition of right-of-way easements over the above-mentioned properties, but failed to reach an agreement.<sup>[10]</sup> Consequently, on January 25, 1996, NAPOCOR filed a Complaint for expropriation,<sup>[11]</sup> which was later amended to exclude Lots-6-2 and 10-2 of TCT Nos. T-30801 and T-30802, after it was found that they were not affected by the construction of the Calaca-Dasmariñas 230 KV Transmission Line Project. Accordingly, the area sought to be expropriated was reduced to 15,240.5 square meters.<sup>[12]</sup>

Meanwhile, on March 1, 1996, NAPOCOR deposited with the Philippine National Bank, NPC Branch, Diliman, Quezon City, the amount of P73,099.95, representing the provisional value of the properties sought to be expropriated.<sup>[13]</sup> On March 20, 1996, NAPOCOR filed an Urgent Ex-Parte Motion for the Issuance of a Writ of Possession.<sup>[14]</sup>

On September 9, 1996, the court *a quo* granted the motion and issued a Writ of Possession<sup>[15]</sup> in favor of NAPOCOR. On November 27, 1996, the sheriff turned over the possession of Allied Bank's properties to NAPOCOR.<sup>[16]</sup>

On September 19, 2001, the court *a quo* appointed Allen Morales,<sup>[17]</sup> Engineer Eladio Taupa<sup>[18]</sup> and Aida Villanueva<sup>[19]</sup> as commissioners to determine the amount of just compensation for the expropriated properties. On May 16, 2006, Engineer Eladio Taupa, NAPOCOR's representative, submitted his Report,<sup>[20]</sup> recommending the amount of P1,500.00 per square meter as just compensation for the expropriated parcels of land. The amount of P1,500.00 was based on the acquisition cost of the adjacent parcels of land owned by Greenthumb Realty Development Inc., which lots were also purchased by NAPOCOR.<sup>[21]</sup>

On November 13, 2006, Allied Bank filed a Manifestation and Motion, signifying its willingness to accept the amount of P1,500.00 as just compensation for its expropriated properties.<sup>[22]</sup> Pursuant thereto, the court *a quo* issued an Order dated October 19, 2006 fixing the amount of just compensation at P1,500.00 per square meter.<sup>[23]</sup> On June 27, 2007, Allied Bank filed an Omnibus Motion,<sup>[24]</sup> praying for the court *a quo* to render a decision directing NAPOCOR to pay the amount of just compensation as well as the commissioner's fees and other costs of suit.

### ***The RTC Decision***

On January 19, 2009, the court *a quo* rendered a Decision, fixing the amount of just compensation at P1,500.00 per square meter as agreed upon by NAPOCOR and Allied Bank. The dispositive portion of the Decision reads:

**"WHEREFORE,** in light of all the foregoing and as agreed by the parties, judgment is hereby rendered ordering the plaintiff to pay just compensation which is hereto fixed by this Court in the amount of One Thousand Five Hundred (P1,500.00) Pesos per square meter.

SO ORDERED."<sup>[25]</sup>

On February 13, 2009, NAPOCOR filed a Motion for Reconsideration,<sup>[26]</sup> arguing that the said decision is contrary to law and jurisprudence for failure of the court *a quo* to state in the dispositive portion thereof that (i) the amount of P1,500.00 per square meter represents the acquisition cost of the expropriated lots; and (ii) the area actually affected by the transmission project comprises of 15,240.5 square meters.<sup>[27]</sup>

On July 14, 2011, the court *a quo* issued the assailed Order<sup>[28]</sup> partially granting NAPOCOR's Motion for Reconsideration, which in pertinent portions reads:

"The Court resolves to **PARTIALLY GRANT the plaintiff's "Motion for Reconsideration", particularly, regarding the inclusion of the total area of the subject property in the dispositive portion** of the Decision dated January 19, 2009.

**However, the inclusion in the dispositive portion of the decision that the just compensation of PhP1,500.00 per square meter represents the acquisition cost of the subject property is not necessary.** Contrary to the plaintiff's position there is nothing vague in the dispositive portion of the Decision dated January 19, 2009. On the contrary, it was very clear and specific that the just compensation for the subject property was fixed at PhP1,500.00 per square meter. The only matter which was needed to be added was the total area of the subject property, which was 15,240.05 square meters, and the total amount of just compensation due.

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xxx"

Aggrieved, NAPOCOR perfected its appeal with the timely filing of its August 15, 2011 Notice of Appeal.<sup>[29]</sup>

### ***The Issue***

In this appeal, NAPOCOR seeks the modification of the July 14, 2011 Order on a lone error, to wit:

**"THE TRIAL COURT ERRED IN NOT STATING IN THE DISPOSITIVE PORTION OF ITS DECISION THAT THE AMOUNT OF ONE THOUSAND FIVE HUNDRED PESOS (P1,500.00) CONSTITUTES THE ACQUISITION COST OF THE LOTS OWNED BY DEFENDANT-APPELLEE WHICH WERE AFFECTED BY PLAINTIFF-APPELLANT'S TRANSMISSION LINE PROJECT."**<sup>[30]</sup>

NAPOCOR asserts that it acquired title to and ownership of the expropriated properties after it had paid Allied Bank the full acquisition cost thereof,<sup>[31]</sup> and not just the easement fee of ten percent (10%) of the expropriated properties' market value.<sup>[32]</sup> Accordingly, an inclusion in the dispositive portion of a statement that the amount of P1,500.00 per square meter constitutes the acquisition cost is necessary to conform to the evidence and the agreement of the parties.<sup>[33]</sup>

On the other hand, Allied Bank counters that the amount of P1,500.00 per square meter represented only the just compensation for the right-of-way easement and the consequential damages borne by the construction and maintenance of the transmission lines.<sup>[34]</sup> Hence, its payment of the amount of P1,500.00 per square meter did not vest title and ownership of the expropriated properties on NAPOCOR.<sup>[35]</sup>

### ***The Court's Ruling***

We find the appeal bereft of merit.

Eminent domain is the authority and right of the State to seize private property for public use upon the observance of due process of law and the payment of just