

FIFTH DIVISION

[CA-G.R. CV NO. 85735, August 10, 2006]

**SPOUSES CONRAD N.M. CELDRAN AND SUSANA S. CELDRAN,
PLAINTIFFS-APPELLEES, VS. MANILA ELECTRIC CO., INC.,
DEFENDANT-APPELLANT.**

D E C I S I O N

BARRIOS, J.:

We have here the trite situation where the utility company unilaterally declares that the subscriber is using a jumper, disconnects services, and requires the payment of a usually humongous amount as precondition to reconnection. The subscriber makes vigorous denials and cries foul, but still coughs up the amount and pays under protest. Usually that is the end of the story. But sometimes the subscriber brings this to court, as in this case.

The appellees spouses Conrad and Susana Celdran (or the Celdrans for brevity unless referred to by their first names) filed a case for *Damages* against the appellant Manila Electric Company, Inc. (or MERALCO), where judgment was rendered by the trial court disposing that:

WHEREFORE, premises considered, judgment is hereby rendered for the plaintiffs. Defendant is hereby ordered to pay the plaintiffs the following amounts:

1. Two hundred thousand pesos (P200,000.00) for moral damages;
2. One hundred thousand pesos (P100,000.00) for exemplary damages;
3. Fifty thousand pesos (P50,000.00) for attorney's fees; and
4. Cost of suit. (Decision, p. 184, record)

On February 11, 1999, the MERALCO Inspection Team Squad 3 went to San Antonio Village in Makati City to conduct an inspection on the metering and electrical facilities of its subscribers in the area. Among those inspected was the residence of the Celdrans at Unit No. 5 in a compound of ten (10) units at # 7747 St. Paul St.. Claiming that they discovered an illegal electrical connection they described as a "*Two Line Permanent Jumper Tapped at Service Wire Inside Elbow Conduit Passing Through Deliberately Bored Hole*", the team disconnected the electrical services of the Celdrans. At the time Conrad was not home and was at work in Tagaytay Highlands where he is the General Manager. Susana too was out of the house as she was coincidentally at the MERALCO Offices in Ortigas in connection with a research she was conducting. The only ones at home was a maid and their daughter Claire who was with a classmate preparing their term paper. Claire called up her mother

and told her that the inspection team was about to cut off their electrical services. Susana pleaded with the team leader of the inspection team to wait for her as she was just at the MERALCO offices, but she was not heeded and the team proceeded to cut off their electrical supply and to pull out their electric meter. They made Claire sign two form documents prepared by the MERALCO team, a Meter/Socket Inspection Report (MSIR) and a Notice of Disconnection.

The Celdrans averred that while at the MERALCO offices Susana went to see the manager and requested that their electricity be reconnected as they never tampered with their electric meter. She explained that they are merely renting the place and that they are not the first to reside there. Despite her explanations the manager arrogantly told her to first pay the amount of P62,040.25, but which she of course did not have at the time and the banks were already closed. That night the whole Celdran family had to check-in at the Shangri-la Hotel as their residence was already in total darkness. It was only the following day when the Celdrans were able to pay the amount required of them for reconnection, and this they did under protest. The outright disconnection of their electrical services was unwarranted and unlawful, and the Celdrans were humiliated and embarrassed before their neighbors who were present and observed the shameful cutting of their electricity. The Celdrans thus demanded that MERALCO be made to pay actual, moral, and exemplary damages as well as attorney's fees.

MERALCO on the other hand denied that its personnel displayed arrogance in disconnecting the Celdrans' electrical services. According to MERALCO its personnel comprising the inspection team were able to discover a "jumper" connected at the metering and electrical facilities of the Celdrans during a routine inspection. As a result of this, the inspection team executed an MSIR detailing therein the illegal electrical connection. Conformably with Republic Act No. 7832, the inspection was made in the presence of a police officer and the consent of the customer's representative, Claire Celdran. The MSIR as well as the Notice of Disconnection was acknowledged by Claire Celdran. The mere discovery of a "jumper" is a *prima facie* evidence of illegal use of electricity, and per billing analysis the Celdrans were liable for the differential billing of P62,040.25 representing the amount of energy actually consumed but was not registered in the electric meter. The immediate payment they made is a manifestation of conformity of the Celdrans to the differential billing and is not an indication of a protest. MERALCO defended that the Celdrans have no cause of action and that they have come to court with unclean hands having been found to have illegally and unlawfully used an illegal connection. Because of this illegal connection, it had the right to discontinue and disconnect the electric service of the Celdrans. MERALCO then countered that since the Celdrans acted with evident malice and bad faith in filing this suit, they have gravely damaged its business reputation and integrity hence should be made liable for moral and exemplary damages and attorney's fees.

The court *a quo* however was convinced that the disconnection was conducted by MERALCO in a manner prejudicial to the Celdrans hence it rendered its judgment against it.

Resultantly, this appeal was brought to Us by MERALCO assigning that these reversible errors were committed by the court *a quo*: