

THIRD DIVISION

[G.R. No. 254395. June 14, 2023]

DAVAO DEL NORTE ELECTRIC COOPERATIVE, REPRESENTED BY MARIA TERESA M. DAVID, PETITIONER, VS. HEIRS OF VICTORINO LUCAS, RESPONDENTS.

DECISION

INTING, J.:

Before the Court is a Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court assailing the Decision^[2] dated May 9, 2019, and the Resolution^[3] dated August 17, 2020, of the Court of Appeals (CA) in CA-G.R. CV No. 04889-MIN. The CA affirmed with modification the Decision^[4] dated December 9, 2016, and the Order^[5] dated July 28, 2017, of Branch 1, Regional Trial Court (RTC), Tagum City, Davao del Norte in Civil Case No. 3506 which held Davao Del Norte Electric Cooperative (DANECO; petitioner) liable for damages to the Heirs of Victorino Lucas (respondents).

The Antecedents

The present controversy stemmed from a complaint for quasi-delict, damages, and attorney's fees, filed against petitioner by the surviving heirs of Victorino C. Lucas (Victorino), namely: his surviving spouse, Loretta L. Lucas (surviving spouse), and his children.^[6] The case was docketed as Civil Case No. 3506 and raffled to Branch 1, RTC, Tagum City, Davao del Norte.^[7]

Respondents alleged in their Complaint that sometime on November 8, 2001, the late Victorino was navigating the road with his motorcycle on his way home to Tagum City from his farm at Mesaoy, New Corella, Davao del Norte. At around 1:58 p.m., his motorcycle got entangled with a high-tension electrical wire that was hanging very low across the Tagum-New Corella Road at the intersection of *Purok 1, Barangay Mesaoy*. As a result, Victorino fell from his motorcycle and hit his head on the concrete pavement.^[8] Several persons at the place of the accident assisted Victorino and brought him to a hospital. Victorino died on November 16, 2001 due to severe head injuries and its attendant complications. Petitioner

owned and maintained the high-tension electrical wire; thus, it gave respondents financial assistance in the amount of P50,000.00 for the medical expenses. However, despite repeated demands, petitioner refused to assume full accountability for damages owing to its alleged negligence in the maintenance of its wirings and powerlines.^[9]

In its Answer, petitioner denied that the electrical wire was a high-tension one and asserted that it was a low-tension electrical wire. It argued that the electrical wires crossing the Tagum-New Corella Road were: (1) installed and are being maintained by petitioner in accordance with the standards set by the National Electrification Administration (NEA) and the Philippine Electrical Code (PEC); (2) within the 80-meter length distance set by NEA standards; and (3) stretched, fastened, and tensioned at both ends of the poles according to proper construction standards. Petitioner thus maintained that the possibility of the electrical wire swinging back and forth is nil, save for causes which may be characterized as force majeure or fortuitous events—like the exceptional winds that blew the galvanized iron (G.I.) sheet roof of the house/store occupied by Alma Abangan (Alma), causing it to hit the phase wire of the secondary line which instantly cut off the neutral wire of the line and caused a portion of the line to hang low. Petitioner further asserted that it was Victorino's reckless driving and wearing of a tinted eye protector helmet which prevented him from spotting the hanging electrical wire and avoiding altogether the accident. Petitioner also clarified that the P50,000.00 financial aid extended to respondents is not an admission of its liability but is simply a humanitarian gesture on its part according to its policies approved by the NEA.^[10]

As counterclaim, petitioner stated that it was constrained to spend not less than P200,000.00 to engage the services of a lawyer to defend itself against the highly speculative, exorbitant, and utterly baseless claims of the respondent; and that it likewise incurred miscellaneous and litigation expenses amounting to more or less P50,000.00. Petitioner further maintained that it should be compensated in the amount of not less than P1,000,000.00 as the filing of the case put it into an unnecessary bother and in a bad light before the general public; and that respondents must also be taught a lesson on human relations and should be held liable for exemplary damages in the amount of not less than P100,000.00.^[11]

During the trial, respondents presented as witness Dr. Alfredo Abundo, Jr. (Dr. Abundo), one of the attending physicians who performed the craniotomy on Victorino. Respondents also presented the following witnesses: Carolina Borjal (Carolina), Margarito Evangelio (Margarito), and Noel Evangelio (Noel), who were at the vicinity and eyewitnesses of the

accident; Celso Masagnay (Celso); Rudy Lavadan (Rudy), who was the driver of the vehicle that was tailing Victorino's motorcycle at the time of the accident; Atty. Dante Sandiego (Atty. Sandiego), respondents' counsel; and Dr. Ma. Victoria Lucas-Legaspi (Victoria), Victorino's daughter.^[12]

Margarito, Noel, and Carolina testified that they heard a loud blast when the transformer in *Purok 1, Mesaoy, New Corella*, exploded. Thereafter, they saw an electrical wire hanging loosely along the highway of Tagum-New Corella Road. They also noticed that the lower half portion of a G.I. sheet, above the Sunrise Videoke House, got bent upward and stuck in the lower portion of the electrical wire, and the upper portion of the electrical wire was already cut off. While they were trying to contact petitioner through its master line, Margarito and Noel saw a motorcycle coming through the Tagum-New Corella Road. They saw the driver trip or stumble on the hanging electrical wire and fall to the ground. After ascertaining that no electricity ran through the electrical wire, they went to help the man, who they then recognized as Victorino, the owner of a tailoring business. The motorcycle sustained no damages, but Victorino was left unconscious, and blood was oozing from his nose. Several persons in the vicinity helped load Victorino in the EMCOR service vehicle, the vehicle earlier driven by Rudy and tailing Victorino's motorcycle at the speed of 35 kilometers per hour. They rushed Victorino to a hospital for treatment. He never regained consciousness until he expired.^[13] He was only 60 then.^[14]

Even before Victorino's accident, the witnesses observed that petitioner's electrical wires in their area were already hanging loose, drooping, and would swing when there is a strong wind. They recalled that Victorino's accident was the third incident involving the electrical wires in their area - previously, a child got electrocuted when the electrical wire was cut off and landed on a guava tree where the child was climbing. Noel, also testified that two or three days before the scheduled RTC ocular inspection of the accident area, petitioner went to the area to repair the electrical wires.^[15]

Petitioner, for its part, presented Alma, the owner of the Sunrise Videoke House as its sole witness. She testified that: she was inside her establishment when the electrical wire fell; she heard a loud blast before Carolina called her attention to the electrical wire above her roof breaking loose and being cut off; she could not say which of the two electrical wires were cut and which got stuck to her roof; and the motorcycle driven by Victorino hit the electrical wire, causing him to be thrown out of the vehicle and hit the ground. Upon cross-examination, Alma admitted that petitioner gave her financial assistance amounting to P100,000.00.^[16]

Ruling of the RTC

On December 9, 2016, the RTC rendered its Decision^[17] in favor of respondents and dismissed petitioner's counterclaim for lack of factual and legal basis. The *fallo* reads:

WHEREFORE, in view of all the foregoing, [Petitioner] DANECO is hereby ordered to pay [Respondents], Heirs of Victorino

C. Lucas the following:

- [P]667,033.30 as actual or compensatory damages less the [P]50,000.00
- (1) financial assistance initially paid by the [Petitioner] DANECO, as admitted by the parties herein;
 - (2) [P]2,284,260.02 as compensation for Loss of Earning Capacity;
 - (3) [P]1,000,000.00 as Moral Damages;
 - (4) [P]100,000.00 as exemplary damages; and
 - (5) 10% of the total award as attorney's fees; and
 - (6) the costs of suit.

All damages awarded shall bear a legal interest of six (6) percent % per annum from finality of this Resolution until fully paid.

Considering that DANECO is not a human being, but is an entity, owned by its consumers, and as the negligence, which resulted to the death of the victim, Victorino Lucas, is committed by its employees; although it (DANECO) still has command responsibility over the action, omission, or negligence of its employees; the Memorandum of DANECO, dated 28 June 2016 (Records, pages 1148-1149), requesting that the claim for loss of earning capacity be reduced in half, shall be considered only by this Court after the Heirs of Victorino Lucas would have agreed to such request for reduction in that conference hereunder set.

IN VIEW HEREOF, set this case for a final conference between the Heirs of Victorino Lucas and [] DANECO's representative, who must be armed with an authority from its Board of Directors for purpose of requesting a reduction of said claims from said Heirs on 21 December 2016, at 2:00 o'clock in the afternoon.

SO ORDERED.^[18] (Emphasis omitted; underscoring in the original)

No final conference was conducted.^[19] Petitioner then filed a motion for reconsideration, which the RTC denied in its Order^[20] dated July 28, 2017.

Ruling of the CA

On May 9, 2019, the CA issued its assailed Decision^[21] affirming the RTC's ruling but with modification with respect to the award of moral damages and Victorino's lost earning capacity to respondents, viz.:

FOR THESE REASONS, the appeal is DENIED. The assailed Decision is affirmed with modification. DANECO is ordered to pay the heirs of Victorino C. Lucas the following sums in damages:

- 1) [P]667,033.30 actual or compensatory damages less the [P]50,000.00 financial assistance initially paid by DANECO;
- 2) [P]684,802.357 as compensation for loss of earning capacity;
- 3) [P]200,000.00 as moral damages;
- 4) [P]100,000.00 as exemplary damages;
- 5) 10% of the total award as attorney's fees; and
- 6) the cost of suit.

All damages shall bear legal interest of six (6) percent per *annum* from finality of this Decision until fully paid.

SO ORDERED.^[22]

The CA denied petitioner's motion for reconsideration in the assailed Resolution.^[23]

Hence, the petition.^[24]

Petitioner contends that the CA gravely erred when it affirmed the RTC's findings and faulted petitioner for negligence in the maintenance of its electrical wirings and power lines and when it ruled that it was petitioner's negligence which was the proximate cause of the death of Victorino.^[25]

Respondents, in their Comment,^[26] adopt entirely the assailed Decision and Resolution of the CA as forming an integral part of their Comment;^[27] they maintain that the petition lacks

merit and, therefore, should be denied.^[28]

The Issue

The issue for the Court's resolution is whether the CA committed reversible error in upholding the RTC's finding that petitioner was negligent, and if so, whether such negligence was the proximate cause of Victorino's accident.

Our Ruling

The Court resolves to deny the petition.

A careful consideration of the petition indicates the failure of petitioner to show any cogent reason why the findings and rulings of the RTC and the CA should be reversed and set aside.

The petition raises a question of fact.

At the outset, it must be noted that petitioner is assailing the RTC and the CA's findings of negligence on its part. This is a question of fact beyond the scope of the Court's discretionary power of review in Rule 45 petitions as the Court is not a trier of facts.^[29] Moreover, the factual findings of the trial court, especially those that are affirmed by the appellate court, are conclusive upon the Court.^[30] While there are exceptions to this rule, it is incumbent upon the party to show that such exists in the case. This petitioner failed to do. On this ground alone, the petition ought to be denied. Nevertheless, even if the Court were to consider the merits of the case, the conclusion would still be the same.

Petitioner is presumed to have been negligent in the maintenance of its power lines under the doctrine of res ipsa loquitur.

Respondents anchor their claim for damages on petitioner's negligence; they seek refuge under Article 2176 of the New Civil Code, to wit:

Art. 2176. Whoever by act or omission causes damage to another, there being fault or negligence, is obliged to pay for the damage done. Such fault or

negligence, if there is no pre-existing contractual relation between the parties, is called a quasi-delict x x x.

To sustain a claim based on quasi-delict, the following requisites must concur: (a) *damage* suffered by the plaintiff; (b) *fault or negligence* of the defendant, or some other person for whose acts he or she must respond; and (c) *the connection of cause and effect* between the fault or negligence of the defendant and the damage incurred by the plaintiff, otherwise known as *proximate cause*.^[31]

It is a threshold principle that the “party who alleges a fact has the burden of proving it.”^[32] Consistent with the findings of the RTC and the CA, the Court finds preponderant evidence to sustain respondents’ claim by reason of quasi-delict under Article 2176 of the New Civil Code.

First, there is no dispute that respondents suffered damage by reason of the death of Victorino. Petitioner does not refute the fact that Victorino died from a bad fall while riding his motorcycle on his way home after having entangled himself with petitioner’s electrical wire which was hanging low across the stretch of the Tagum-New Corella Road.^[33] Petitioner even admitted having given respondents financial assistance amounting to P50,000.00 because of the incident as a humanitarian gesture and in accordance with the policies of the NEA.^[34] Respondents’ pain and anxiety from the time of Victorino’s accident up to the time of his death a few days thereafter cannot be gainsaid, especially considering the fact that Victorino never regained consciousness after the accident.^[35]

Second, petitioner is presumed to be negligent in its operation and maintenance of its power lines under the doctrine of *res ipsa loquitur*, and it failed to adduce sufficient evidence to refute this presumption.

Jurisprudence defines negligence as “the failure to observe for the protection of the interests of another person that degree of care, precaution, and vigilance which the circumstances justly demand, whereby such other person suffers injury.”^[36] The existence of negligence in a particular case may be determined by the following test: “Did the defendant in the performance of the alleged negligent act use reasonable care and caution which an ordinary person would have used in the same situation? If not, then he is guilty of negligence.”^[37]

As to whether or not petitioner’s negligence was duly proven, the Court defers to the

findings of the RTC, as affirmed by the CA, that petitioner's negligence in the maintenance of its electrical wires and power lines was established on the basis of the *res ipsa loquitur* doctrine. The Court quotes with approbation the RTC's elucidation on the matter, *viz.*:

Based on the circumstances, as testified to by the [Respondents'] witnesses, as well as the ocular inspection conducted by this Court together with the parties and their counsels[,] this Court finds [Petitioner] **DANECO negligent in its duty, as it failed to regularly maintain its power lines.** The low hanging lines in between poles should have been tensioned so that they would not swing every time the wind blows and would not spark when these wires get in contact with each other because of the friction. When these lines break and fall regardless of the reason, there could be a great possibility that these wires could cause injury to the passersby, motorists, and the general public.

[Petitioner] DANECO alleged that the wires crossing the New Corella-Tagum Road to the next post going to Sitio Tinago are not high tension wires, but are only low tension wires, energized at 240 volts x x x.

Assuming that indeed the wires subject of this case are not high tension wires but were only low tension wires energized at 240 volts, that still means that there is electricity running through those wires and if anybody touches the tip of said wires, said person would feel the jolt. If said person was riding a motorcycle, as what the victim was doing on that fateful day, the loose low tension wires could cause the motorcycle to jolt, unseat the victim and cause the victim to fall, as what happened to the late Victorino Lucas on that tragic day.

It was further alleged that the subject wires were installed and maintained by DANECO in accordance with the standards set by the National Electrification Authority (NEA) and the Philippine Electrical Code[,] x x x and that these wires passed Philippine standard; that their strength is guaranteed to last; and that the span between two posts connecting these wires is well within the 80-meter length distance set by NEA standard; x x x.

Said declaration by [Petitioner] DANECO requires an expert testimony. Being the one making the assertion, DANECO should have presented an expert witness to prove that it passed the standard set. Absen[t] such proof, its allegation is a mere self-serving testimony.

[Petitioner] DANECO also asserted that “these wires were stretched, fastened and tensioned at both ends of the poles according to proper construction standards” and the “possibility of swinging back and forth is practically nil, except for causes which may be classified as force majeure or fortuitous events — similar to the extra-strong wind, which blew the GI sheet roof involved in this case” x x x.

There is doubt regarding this assertion. In the complaint filed by the [Respondents], there was an allegation that the DANECO wires, where the tragic accident happened, were hanging low and loose, and would even spark when there is a strong wind. This was corroborated by the **[Respondents’] witnesses, brothers[] Noel and Margarito Evangelio[] x x x and Carolina Borjal. All these witnesses testified that prior to the accident on 8 November 2001, there were also two previous incidents where these wires caused injury to two persons in the area** x x x.

On 5 September 2005, when one of the [Respondents’] witnesses, **Noel Evangelio**, was recalled[,] he testified that prior to the ocular inspection conducted by the Court, DANECO made repairs of the wires, so that by the time the ocular inspection was conducted, the wires were already tensioned and were no longer hanging low and loose, nor swaying, as originally described x x x.

As a public utility and a provider of electric services, it is incumbent upon [Petitioner] DANECO to ensure, at all times, not only efficient but also safe services to its clientele, by providing regular maintenance of its posts and power lines, and by giving 24-hour emergency services to answer distress and rescue calls.^[38] (Emphasis and underscoring in the original)

In the present recourse, however, petitioner would have the Court believe that respondents failed in their duty to prove that petitioner was negligent in the maintenance of its electrical wires. It harps on respondents’ failure to present expert testimony regarding the alleged “negligence in the maintenance of its wires” or the “proper tensioning of wires,” the veracity of which, petitioner argues, could not be made to depend solely on the self-serving testimonies of respondents’ witnesses.^[39]

Petitioner’s argument fails to convince.

In cases where it is difficult to prove negligence, the doctrine of *res ipsa loquitur* “permits an inference of negligence on the part of the defendant or some other person who is charged with negligence where the thing or transaction speaks for itself.”^[40] This doctrine’s procedural effect in quasi-delict cases is that “the defendant’s negligence is presumed, and the burden of evidence shifts to the defendant to prove that he did not act with negligence.”^[41]

The ruling of the Court on the applicability of the doctrine of *res ipsa loquitur* in the case of *Allarey v. Dela Cruz*^[42] is enlightening, viz.:

x x x [I]t is considered as merely evidentiary or in the nature of a procedural rule. **It is regarded as a mode of proof, of a mere procedural convenience since it furnishes a substitute for, and relieves a plaintiff of, the burden of producing specific proof of negligence. In other words, mere invocation and application of the doctrine does not dispense with the requirement of proof of negligence. It is simply a step in the process of such proof, permitting the plaintiff to present along with the proof of the accident, enough of the attending circumstances to invoke the doctrine, creating an inference or presumption of negligence, and to thereby place on the defendant the burden of going forward with the proof.** Still, before resort to the doctrine may be allowed, the following requisites must be satisfactorily shown:

1. The accident is of a kind which ordinarily does not occur in the absence of someone’s negligence;
2. It is caused by an instrumentality within the exclusive control of the defendant or defendants; and
3. The possibility of contributing conduct which would make the plaintiff responsible is eliminated.

In the above requisites, **the fundamental element is the “control of the instrumentality” which caused the damage. Such element of control must be shown to be within the dominion of the defendant.** In order to have the benefit of the rule, a plaintiff, in addition to proving injury or damage, must show a situation where it is applicable, and must establish that the essential elements

of the doctrine were present in a particular incident.^[43] (Emphasis in the original)

The present case satisfies all the elements of *res ipsa loquitur*. Certainly, it is quite unusual and extraordinary for a motorcycle rider traversing the highway, such as Victorino, to trip or entangle himself in the low-hanging electrical wires, unless petitioner, who had exclusive management and control of the electric posts and power lines, acted with fault or negligence. The RTC correctly held that respondents, by presenting proof of Victorino's accident^[44]—which already implies negligence—had met the required preponderance of evidence necessary to establish a *prima facie case* in their favor; hence, the burden shifted to petitioner to adduce sufficient evidence to prove that it was not negligent. Regrettably, except for petitioner's asseverations on the hearsay nature of respondents' testimonies,^[45] it failed to proffer evidence to disprove the RTC's findings of negligence against it. As it currently stands, the Court arrives at the ineluctable conclusion that petitioner, as a public utility and provider of electrical services, indeed failed to exercise due diligence in the maintenance of its power lines, including the implementation of all known and possible safety and precautionary measures in order to protect the residents nearby from vehicular and other forms of accidents. At the time of the fatal mishap, the electrical wires were hanging low along the highway, posing a threat to passing motor vehicles and even pedestrians.^[46]

Third, with the established circumstances, the causal connection between petitioner's negligence and the damages sustained by respondents becomes evident.

Petitioner argues that the proximate cause of Victorino's accident was due to a fortuitous event; it avers that the electrical wire was cut by a G.I. sheet from the roofing of the Sunrise Videoke House which was detached due to the strong winds at the time.^[47] Petitioner further posits that the fortuitous event, coupled with Victorino's reckless overspeeding and use of a tinted eye protector that blurred his sight, was the immediate cause of the accident.^[48]

Proximate cause is "that which, in natural and continuous sequence, unbroken by any new cause, produces an event, and without which the event would not have occurred."^[49] For the negligence to be considered as the proximate cause of the injury, it does not need to be the event closest in time to the injury. A cause is still deemed proximate even if it is farther in time in relation to the injury, "if the happening of it [sets] other foreseeable events into motion resulting ultimately in the damage."^[50]

Verily, the strong winds and the flying G.I. sheet from Alma's roof, although they are

intervening causes, were not sufficient enough to break the chain of connection between petitioner's negligence and the injurious consequence suffered by Victorino. The vehicular accident could not have occurred had petitioner exercised due diligence in the maintenance of its power lines and in providing adequate measures to ensure the safety and protection of the residents and other persons within the vicinity, including those merely traversing the area.^[51] Petitioner, therefore, cannot excuse itself from liability for its failure to properly maintain the electrical wires by attributing negligence to Victorino.

The CA thus committed no reversible error in affirming the RTC's Decision holding that it was petitioner's negligence that was the proximate cause of the vehicular accident resulting in Victorino's untimely demise.^[52]

The CA's award for damages is justified under the prevailing circumstances.

Concomitant to the CA's finding of preponderant evidence to sustain the award of damages in respondents' favor by reason of petitioner's negligence pursuant to Article 2176 of the New Civil Code, the Court likewise finds the CA's award for damages to be justified under the prevailing circumstances.

Actual or compensatory damages are "compensation for an injury that will put the injured party in the position where it was before the injury."^[53] They "pertain to such injuries or losses that are actually sustained and susceptible of measurement."^[54] However, a party may only be awarded actual damages when the pecuniary loss he or she had suffered was duly proven. As discoursed by the Court in *Mendoza v. Sps. Gomez*:^[55]

Article 2202 of the Civil Code provides that in crimes and quasi-delicts, the defendant shall be liable for all damages which are the natural and probable consequences of the act or omission complained of. It is not necessary that such damages have been foreseen or could have reasonably been foreseen by the defendant. Article 2199 of the same Code, however, sets the limitation that, except as provided by law or by stipulation, one is entitled to an adequate compensation only for such pecuniary loss suffered by him as he has duly proved. As such, to warrant an award of actual or compensatory damages, *the claimant must prove that the damage sustained is the natural and probable consequences*

of the negligent act and, moreover, the claimant must adequately prove the amount of such damage.^[56] (Italics supplied)

In sustaining the RTC's award for actual and compensatory damages in the total amount of P667,033.30, the CA found the award to be supported by respondents' presentation in evidence of the official receipts and Statements of Account issued by the hospital, as well as the testimony of Victorino's daughter, Victoria, who is also a doctor.^[57]

Indemnity for loss of earning capacity is awarded to the heirs of the victim where death results on the occasion of the defendant's act or omission arising from quasi-delict.^[58] Compensation of this nature is "awarded not for loss of earnings, but for loss of capacity to earn money";^[59] such indemnification "partakes of the nature of actual damages which must be duly proven by competent proof and the best obtainable evidence thereof."^[60]

The CA found Victorino's income-earning capacity to have been sufficiently established by his Income Tax Return that reflected his annual gross taxable income at P102,746.04. Applying the formula outlined by recent jurisprudence^[61] in computing the compensable amount for loss of earning capacity, the Court likewise finds the CA's award to respondents for Victorino's loss of earning capacity in the amount of P684,802.35^[62] to be in order.^[63]

Moral damages are also appropriate in the case as predicated on Article 2219(2)^[64] of the New Civil Code. The death of Victorino, being the proximate result of petitioner's negligence, wrought anguish and mental suffering upon respondents; for this, the amount of P200,000.00 awarded by the CA is sufficient compensation.^[65] While there is no hard-and-fast rule in ascertaining the amount of moral damages recoverable, determining what is fair and reasonable will be governed by the attendant particulars of each case.^[66] In *Salvador v. Hizon, Jr.*,^[67] the Court thus held:

x x x Moral damages are not meant to be punitive but are designed to compensate and alleviate the physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation, and similar harm unjustly caused to a person. Such damages are not a bonanza but are given to ease the defendant's grief and suffering; thus, reasonably approximate the extent of hurt caused and the gravity of the wrong done. They are awarded not to enrich the complainant but to enable the latter to obtain means, diversions, or amusements that will serve to alleviate the moral

suffering he has undergone by reason of the defendant's culpable action.^[68]
(Citations omitted)

Exemplary Damages are imposed under Article 2229 of the Civil Code by way of example or correction for the public good, in addition to moral damages; under Article 2231, exemplary damages may also be awarded in cases of gross negligence.

As the RTC pointed out, there is a need to correct and discipline petitioner for hiring and paying lawyers to deny its responsibility and even paying its lone witness P100,000.00 to support its claim of non-liability, instead of taking responsibility for its negligence by supporting the respondents' medical needs and by settling the matter amicably and expeditiously with the respondents.^[69] Also, as testified to by Noel, petitioner repaired its electrical wirings before the setting for the ocular inspection without informing the RTC about such repair. Petitioner's act is clearly for the purpose of circumventing the facts that existed at the time of the accident and to use such repaired electrical wirings as proof that the accident was not caused by the sagging and broken electrical wires.^[70] Petitioner's reckless disregard of the safety of persons or property amounts to gross negligence which justifies the award of exemplary damages in respondents' favor.

Attorney's fees and costs of suit are also properly awarded in the case because exemplary damages were also awarded^[71] and on account of petitioner's gross and evident bad faith in refusing to satisfy respondents' valid and demandable claim.^[72]

All amounts awarded shall earn legal interest at the rate of six percent (6%) *per annum* computed from the date of finality of this Decision until their full satisfaction.^[73]

WHEREFORE, the petition is **DENIED**. The Decision dated May 9, 2019, and the Resolution dated August 17, 2020, of the Court of Appeals in CA-G.R. CV No. 04889-MIN are **AFFIRMED**. The legal interest shall be imposed on the monetary awards granted at the rate of six percent (6%) *per annum* from the finality of this Decision until fully paid.

SO ORDERED.

Caguioa, (Chairperson), Gaerlan, Dimaampao, and Singh, JJ., concur.

^[1] *Rollo*, pp. 5-30.

^[2] *Id.* at 32-45. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Walter S. Ong and Florencio M. Mamauag, Jr.

^[3] *Id.* at 47-48. Penned by Associate Justice Edgardo A. Camello and concurred in by Associate Justices Evalyn M. Arellano-Morales and Angelene Mary W. Quimpo-Sale.

^[4] *Id.* at 49-70. Penned by Presiding Judge Virginia D. Tehano-Ang.

^[5] *Id.* at 72-78.

^[6] Ma. Victoria Lucas-Legaspi, Joey L. Lucas, Ronald L. Lucas, and Evelyn L. Lucas. See *id.* at 49.

^[7] *Id.* at 32.

^[8] *Id.* at 49.

^[9] *Id.* at 32-33.

^[10] *Id.* at 33.

^[11] *Id.* at 34.

^[12] *Id.*

^[13] *Id.* at 34-35.

^[14] *Id.* at 43.

^[15] *Id.* at 35-36.

^[16] *Id.* at 36.

^[17] *Id.* at 49-70.

^[18] *Id.* at 70.

^[19] *Id.* at 38.

^[20] *Id.* at 72-78.

^[21] *Id.* at 32-45.

^[22] *Id.* at 44.

^[23] *Id.* at 47-48.

^[24] *Id.* at 5-30.

^[25] *Id.* at 13.

^[26] *Id.* at 84-87.

^[27] *Id.* at 84.

^[28] *Id.* at 85-86.

^[29] **Bank of the Philippine Islands v. Pilar, G.R. No. 227569** (Notice), September 5, 2022, citing **Unitrans International Forwarders, Inc. vs. Insurance Company of North America**, 849 Phil. 426, 435 (2019).

^[30] **National Power Corporation v. Pangaga, G.R. No. 218076** (Notice), January 13, 2021, citing **Pascual v. Burgos**, 776 Phil. 167, 182-183 (2016).

^[31] **Sanggacala v. National Power Corp., G.R. No. 209538**, July 7, 2021. See also **Dalen, Sr. v. Mitsui O.S.K. Lines**, 910 SCRA 130, 140 (2019).

^[32] **Republic v. Rallos, G.R. No. 240895**, September 21, 2022.

^[33] *Rollo*, p. 10.

^[34] *Id.* at 11.

^[35] *Id.* at 54.

^[36] **Cagayan II Electric Cooperative, Inc. v. Rapanan**, 749 Phil. 338, 347 (2014).

^[37] **Falalimpa v. Manalastas, G.R. No. 240591** (Notice), September 29, 2021, citing **Agusan Del Norte Electric Cooperative, Inc. (ANECO) v. Balen**, 620 Phil. 485, 490 (2009).

^[38] *Rollo*, pp. 52-53.

^[39] *Id.* at 15-16.

^[40] **Josefa v. Manila Electric Company**, 739 Phil. 114, 130 (2014).

^[41] *Id.*

^[42] **G.R. No. 250919**, November 10, 2021.

^[43] *Id.*, citing **Ramos v. Court of Appeals**, 378 Phil. 1198, 1219-1221 (1999).

^[44] *Rollo*, p. 52.

^[45] *Id.* at 15-16.

^[46] See *id.* at 41-42, 52-53.

^[47] *Id.* at 21-22.

^[48] *Id.* at 33.

^[49] **People v. Agustin, G.R. No. 250140** (Notice), February 15, 2021, citing **Dela Cruz v. Capt. Octaviano**, 814 Phil. 891, 909 (2017).

^[50] **Global Automotive Technologies of Davao, Inc. v. Legaspina, G.R. No. 247261** (Notice), September 2, 2019, citing **Abrogar v. Cosmos Bottling Company**, 807 Phil. 317, 359 (2017).

^[51] See *rollo*, pp. 56-57.

^[52] *Id.* at 41-42.

^[53] **Guy v. Tulfo**, 851 Phil. 748, 764 (2019).

^[54] *Id.*

^[55] 736 Phil. 460 (2014).

^[56] *Id.* at 479.

^[57] *Rollo*, pp. 42, 61-63.

^[58] Article 2206(1) of the New Civil Code provides:

Art. 2206. x x x x

(1) The defendant shall be liable for the loss of the earning capacity of the deceased, and the indemnity shall be paid to the heirs of the latter; such indemnity shall in every case be assessed and awarded by the court, unless the deceased on account of permanent physical disability not caused by the defendant, had no earning capacity at the time of his death[.]

^[59] **Da Jose v. Angeles**, 720 Phil. 451, 463 (2013). See also **People v. Advincula**, 829 Phil. 516, 534 (2018).

^[60] *Id.*

^[61] **Cruz v. People**, G.R. No. 236289 (Notice), December 7, 2022, citing **People v. Wahiman**, 760 Phil. 368, 389 (2015).

^[62] Net Earning Capacity = life expectancy x (gross annual income - living expenses)
= 2/3 (80 - age at time of death) x (gross annual income - 50% of gross annual income)
= 2/3 (80-60) x (P102,746.04 - P51,373.02)
= 13.33 x P51,373.02
= P684,802.357. (see *rollo*, p. 43)

^[63] *Rollo*, p. 43.

^[64] Art. 2219. Moral damages may be recovered in the following and analogous cases:

x x x x

(2) Quasi-delicts causing physical injuries[.]

^[65] *Rollo*, p. 42.

^[66] **Pagdanganan v. Atty. Plata**, 933 SCRA 483, 496 (2020).

^[67] **G.R. No. 241310** (Notice), October 13, 2021.

^[68] *Id.*

^[69] *Rollo*, p. 68.

^[70] *Id.*

^[71] Article 2208(1) of the New Civil Code provides:

Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

(1) When exemplary damages are awarded[.]

^[72] Article 2208(5) of the New Civil Code provides:

Art. 2208. In the absence of stipulation, attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

x x x x

(5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly, valid, just and demandable claim[.]

^[73] **Lara's Gifts & Decors, Inc. v. Midtown Industrial Sales, Inc., G.R. No. 225433,** August 28, 2019.
