

Title: National Power Corporation vs. Spouses Margarito and Tarcinia Asoque

Facts: The National Power Corporation (NPC) entered the land owned by Spouses Asoque in Barangay Bugtong, Calbayog City in November 1995. NPC used 4,352 square meters of this land for the installation of transmission lines for its Leyte-Luzon HVDC Power Transmission Line Project. NPC's utilization of the land was understood to be paid for by the corporation; however, they only paid for the improvements destroyed and refused to pay for the value of the land used, citing that they were only liable to pay a right-of-way at 10% of the market value under Section 3-A of Republic Act No. 6395. The Spouses Asoque then filed a complaint before the Regional Trial Court (RTC) of Calbayog City, seeking just compensation and damages.

The RTC, after various proceedings, including the non-appearance of NPC at pre-trial conferences and a proceeding ex parte, appointed a Commissioner to determine just compensation. The Commissioner recommended a valuation of P800.00 per square meter and the RTC rendered a judgment in favor of Spouses Asoque, ordering NPC to pay P3,481,600.00 as just compensation for the land, and P158,369.00 for the improvements, with legal interest from November 1995 until fully paid.

NPC appealed to the Court of Appeals (CA), which upheld the RTC's decision with modification, deleting the award for compensation for the improvements. When the CA denied NPC's motion for reconsideration, NPC took the case before the Supreme Court on a Rule 45 petition.

Issues:

1. Whether NPC was denied due process when evidence was presented ex parte.
2. Whether the appointment of the Commissioner and the valuation were valid.
3. The nature of compensation due - is it an easement fee or full compensation for the land taken.
4. The determination by the lower courts of the amount of just compensation.

Court's Decision:

1. The Court ruled that NPC was not denied due process. NPC failed to appear at two scheduled pre-trial conferences, leading the RTC to allow Spouses Asoque to present evidence ex parte, which is allowed under the Rules of Court.
2. The appointment of a Commissioner and the valuation process were ruled valid, as there were no limitations set in the order of reference. The Commissioner was authorized to make

factual findings and recommendations for just compensation.

3. The NPC had essentially taken property under the power of eminent domain, and thus, the NPC was ordered to pay Spouses Asoque based on the full market value of the land used, and not merely an easement fee.

4. Assessments on the amount of just compensation by the lower courts were upheld by the Supreme Court.

Doctrine: The case reiterated the principle that the taking of private property for public use, whether it be in the form of outright title acquisition or a right-of-way easement, still necessitates the just compensation of the property owner based on the full market value of the property, given that the property owner's full enjoyment and utilization of the land is materially and permanently impaired.

Class Notes:

- Due Process: An opportunity to be heard and submit evidence in support of one's defense is the essence of due process.
- Property owners who lose the beneficial use of their property due to public works are entitled to just compensation.
- Eminent domain: Taking through eminent domain entitles the property owner to full market value as just compensation.
- Just Compensation: Determined as the fair market value at the time of taking, and factors such as property's use, size, shape, and location may be considered.

Historical Background: The historical context here revolves around the expansion of NPC's power transmission infrastructure in the Philippines, and the government's use of its eminent domain powers to take private property for public use. Property rights advocacy and protection of landowners' rights are persistently reinforced through jurisprudence on just compensation under eminent domain cases.