

**\*\*Title:\*\*** Maceda vs. Energy Regulatory Board (G.R. No. 96266)

**\*\*Facts:\*\***

The case arises from the provisional increase in oil prices granted by the Energy Regulatory Board (ERB) following the Persian Gulf conflict on August 2, 1990. Respondent oil companies Caltex, Pilipinas Shell, and Petron filed their applications for oil price increases with the ERB, which granted a provisional increase of P1.42 per liter on September 21, 1990. Petitioner Maceda challenged this increase through a petition for prohibition filed on September 26, 1990 (G.R. No. 95203), which was dismissed on December 18, 1990, affirming the ERB's authority to grant provisional increases even without prior hearing.

ERB scheduled hearings for the applications, but Maceda failed to appear for the initial hearings. The ERB provided opportunities for cross-examination of witnesses but adopted a relaxed procedure that allowed for the presentation of all evidence-in-chief before cross-examination. Maceda contested this approach, claiming it deprived him of the right to substantial cross-examination and, consequently, due process. The ERB considered multiple pieces of evidence, including OPSF status reports and international crude oil prices, in granting the second provisional price increase.

**\*\*Issues:\*\***

1. Did the relaxed procedure adopted by the ERB in hearing the applications for oil price increases violate the petitioner's right to due process?
2. Is there substantial evidence on record to support the ERB's grant of the provisional price increases?
3. Do the petitions questioning the ERB's authority under Sec. 8 of E.O. 172 remain moot and academic?

**\*\*Court's Decision:\*\***

1. The Supreme Court held that the relaxed procedure adopted by the ERB did not violate petitioner's right to due process. It stressed that administrative bodies like the ERB are not bound by strict rules of evidence and may adopt procedures to promote justice and orderly conduct of the proceedings.
2. The Court found substantial evidence supporting the provisional relief granted by the ERB. Evidence considered included certified copies of bills of lading, reports on the peso-dollar exchange rate, and OPSF status reports, among others.
3. The petitions questioning the ERB's authority under Sec. 8 of E.O. 172 were deemed moot and academic.

**\*\*Doctrine:\*\***

The Supreme Court reiterated that while a hearing is indispensable for the grant of provisional increases by regulatory bodies like the ERB, it does not preclude them from ordering an ex-parte provisional increase subject to final disposition, emphasizing the quasi-legislative function of such bodies in rate or price fixing matters. Moreover, administrative bodies are not bound by technical rules of evidence.

**\*\*Class Notes:\*\***

- Administrative discretion in procedural matters: Regulatory bodies have the discretion to adopt relaxed procedures in hearing cases within their jurisdiction, provided that these procedures do not violate the right to due process.
- Provisional relief by administrative bodies: Bodies like the ERB can grant provisional relief without a prior hearing, subject to the final outcome of the case.
- Importance of substantial evidence: Decisions of administrative bodies must be based on substantial evidence presented during the proceedings.
- Concept of mootness: Issues become moot and academic when subsequent events make it unnecessary for the court to pass judgment.

**\*\*Historical Background:\*\***

The case is set against the backdrop of the Persian Gulf conflict in 1990, which triggered significant increases in global oil prices. The Philippines, being heavily dependent on oil imports, experienced substantial economic repercussions, compelling oil companies to seek price adjustments from the ERB. The legal controversies surrounding these adjustments highlight the complexities of regulatory governance in times of economic crisis and the balance between procedural rigor and administrative flexibility.