Title: Philippine Sinter Corporation and PHIVIDEC Industrial Authority vs. Cagayan Electric Power and Light Co., Inc.

Facts:
This case arises from a conflict of electric power supply within specific municipalities in Misamis Oriental, Philippines. The Philippine Sinter Corporation (PSC) received its power supply directly from the National Power Corporation (NAPOCOR) under a contract effective until July 26, 1996. However, the Cagayan Electric Power and Light Co., Inc. (CEPALCO), armed with a legislative franchise to distribute electric power within the same areas, petitioned the Energy Regulatory Board (ERB) to discontinue all direct power supplies by NAPOCOR to industrial consumers within its franchise area. The ERB ruled in favor of CEPALCO, declaring that direct connections to NAPOCOR were no longer necessary within CEPALCO's area. NAPOCOR's attempt to overturn this decision failed, rendering the ERB decision final and executory. PSC, alongside PHIVIDEC Industrial Authority (PIA), filed a complaint for injunction against CEPALCO's move to cut off PSC's direct power supply from NAPOCOR. The Regional Trial Court sided with PSC and PIA, issuing an injunction against CEPALCO. However, upon appeal, the Court of Appeals reversed the RTC's decision, dissolving the injunction. Further appeals led to this Supreme Court review.

Issues:
1. Whether the ERB decision is aligned with the Cabinet Policy Reform.
2. If the ERB decision prejudiced the rights of petitioners PIA and PSC without their direct involvement.
3. The impact of the Cabinet Policy on PIA's charter, as represented by PD 538.
4. The notification requirements for PIA and PSC concerning CEPALCO's petition to the ERB.
5. The enforceability of the ERB decision against PIA and PSC.
6. The finality of the ERB decision.

Court's Decision:
The Supreme Court denied the petition, upholding the Court of Appeals' decision to set aside the Regional Trial Court's judgment favoring PSC and PIA against CEPALCO. The Court reasoned that an injunction against a final and executory judgment is generally not permissible except under exceptional circumstances, which were not present in this case. Moreover, the Court found that the actions taken were aligned with government policies aimed at streamlining and improving the efficiency of the country's power sector. The Court highlighted that administrative decisions must attain finality and that the decision

concerning the direct supply of power by NAPOCOR within CEPALCO's franchise area appropriately fell within the ERB's – and not the trial court's – jurisdiction.

Doctrine:
The ruling reinforced the principle that injunctions cannot disturb final and executory decisions except under exceptional circumstances where execution would be inequitable or unjust. Moreover, it emphasized the jurisdiction of administrative bodies like the ERB over specific regulatory matters, underscoring the doctrine of non-interference by trial courts in the decisions of administrative bodies of concurrent jurisdiction.

Class Notes:
– **Finality of Administrative Decisions:** Once an administrative decision becomes final and executory, courts generally cannot interfere except in cases where new circumstances render its execution unjust.
– **Jurisdiction of Administrative Bodies:** Administrative bodies with specific regulatory jurisdiction have their decisions respected by the courts, emphasizing the principle of administrative finality and non-interference.
– **Injunction Against Final Judgments:** Courts are cautious in issuing injunctions against final and executory judgments, only doing so under narrowly defined circumstances where failing to do so would result in injustice.
– **Government Policy Compliance:** Entities operating under government franchises must align operations with prevailing government policies, including changes in regulatory frameworks.

Historical Background:
The dispute contextualizes the Philippines' efforts to reform its power sector through policies aimed at efficient distribution and generation of electric power. It also underscores the conflicting interests between entities operating under governmental authorization within the same geographic and operational spaces. The transition from direct connections with NAPOCOR to distribution by authorized franchise holders like CEPALCO illustrates the evolving landscape of the Philippine power sector in response to policy reforms and regulatory decisions.