

Title:

****National Power Corporation vs. Henson, et al.****

Facts:

This case involved the National Power Corporation (NPC), initiating a complaint on March 21, 1990, with the Regional Trial Court (RTC) of San Fernando, Pampanga, seeking to exercise its power of eminent domain over five parcels of land owned by respondents for expanding the NPC Mexico Sub-Station. The lands, totaling an area of 58,311 square meters, were agricultural and under Operation Land Transfer of the Department of Agrarian Reform, but had been reclassified as residential.

The NPC filed an urgent motion to fix the provisional value of the lands on March 28, 1990. The respondents contested the NPC's valuation of their property, claiming a fair market value between P180.00 to P250.00 per square meter, as opposed to the provisional value of P100.00 per square meter set by the trial court.

Upon NPC's deposit of the provisional amount, the court granted them a writ of possession of the lands on September 5, 1990. The respondents were also allowed to withdraw the deposited amount under the provisional value.

Subsequently, the trial court appointed a commission to determine the just compensation for the land. The commissioners presented varying recommendations, but the trial court set the compensation at P400.00 per square meter with legal interest from September 11, 1990, which was higher than any of the commissioners' suggestions.

The NPC appealed this decision to the Court of Appeals, which affirmed the RTC's ruling but removed the award for attorney's fees. Dissatisfied, NPC then elevated the case to the Supreme Court.

Issues:

1. What constitutes just compensation for the expropriated lands intended for the expansion of the NPC Mexico Sub-Station?
2. Should the area of the communal irrigation canal be included in the expropriation?
3. Is NPC liable for the costs of the proceedings?

Court's Decision:

The Supreme Court modified the decisions of the lower courts. It agreed with Commissioner Atienza's valuation and fixed the just compensation at P375.00 per square meter for the

lots. Additionally, the Court ruled that the communal irrigation canal area should be excluded from the expropriation and that NPC, by its charter, is exempt from the payment of costs of the proceedings. The Supreme Court also corrected an error in the trial court's decision regarding double payment for a portion of the land.

Doctrine:

The essential doctrine reiterated in this case is that the "just compensation" for property expropriated for public use should reflect the fair market value of the property at the time of taking, considering its nature and character, and excluding any speculative or potential future value based on planned usage or improvements that have not yet been implemented.

Class Notes:

1. Just compensation reflects the property's fair market value at the time of taking.
2. In eminent domain proceedings, the valuation should not include speculative or unrealized future values.
3. Legal interest on the compensation amount is payable from the date of possession until full payment.
4. The area subject to expropriation does not include areas not explicitly mentioned or intended in the complaint, such as communal irrigation canals.
5. Entities with a specific charter exemption are not liable for the costs of legal proceedings in eminent domain cases.

Historical Background:

The case illustrates the process and considerations involved in eminent domain proceedings, notably the methods for determining just compensation for the expropriated property. It underscores the balance between public interest in infrastructure development and the rights of landowners to fair compensation, reflecting broader themes in legal and governmental policy on land use and rights.