

****Title:****

National Power Corporation vs. Benjamin Ong Co

****Facts:****

The National Power Corporation (NPC), established under R.A. No. 6395 to develop and operate nationwide power generation and transmission projects, exercised its eminent domain powers to acquire an easement of right-of-way over three lots in Barangay Cabalantian, Bacolor, Pampanga, owned by respondent Benjamin Ong Co. The property, totaling 575 square meters, was targeted for the construction of NPC's Lahar Affected Transmission Line Project.

On June 27, 2001, NPC filed a complaint with the Regional Trial Court (RTC) of San Fernando, Pampanga, for the acquisition of the easement. By March 25, 2002, NPC obtained a writ of possession and subsequently took possession of the property on April 15, 2002.

The necessity of the expropriation was acknowledged by the respondent, setting the stage for negotiations solely on just compensation. The RTC appointed three commissioners to ascertain the fair market value as of April 15, 2002. Commissioners Dayrit and Garcia recommended a valuation of P1,900.00 per square meter totaling P1,179,000.00, while Commissioner Abcejo proposed P875.00 per square meter. The RTC adjudged in favor of the higher valuation and set the just compensation accordingly, with 6% annual interest from April 15, 2002, until full payment.

Dissatisfied, NPC appealed to the Court of Appeals, which, on October 20, 2004, upheld the RTC's decision but mandated a re-evaluation by new commissioners. NPC's motion for partial reconsideration was denied, prompting the petition to the Supreme Court.

****Issues:****

1. Is Republic Act No. 8974 applicable to NPC's expropriation action?
2. Should NPC pay full fair market value or merely an easement fee for the property?
3. What is the appropriate reckoning date for determining just compensation?

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

The Supreme Court partly granted the petition. It affirmed the Court of Appeals' directive that NPC must pay the full fair market value but reversed the ruling on the computation date, setting it as the date of filing the complaint (June 27, 2001), instead of the date of

taking.

1. **Applicability of RA 8974:** The Court held that RA 8974, facilitating the acquisition of right-of-way for national projects, governs the expropriation for NPC's Lahar Project, classifying it as a national government infrastructure project.
2. **Full Fair Market Value vs. Easement Fee:** Contrary to NPC's reliance on paying only an easement fee based on Section 3A of its charter, the Court decreed that NPC is liable for the entire market value due to the indefinite restriction imposed on the property by the transmission lines.
3. **Reckoning Date for Just Compensation:** While NPC contended for the compensation to be calculated from the filing date of the expropriation complaint, the Court agreed, emphasizing the standard provided in Rule 67 of the Rules of Court.

In conclusion, the Court remanded the case to the lower court for the appointment of new commissioners to determine the just compensation in alignment with its decision and instructed expedited proceedings.

Doctrines:

The Supreme Court reiterated the doctrine that in cases of expropriation for national government infrastructure projects governed by RA No. 8974, the full fair market value of the property is to be paid as just compensation, not merely an easement fee, and the valuation should be based on the date of the filing of the complaint if it precedes the taking of the property.

Class Notes:

Eminent Domain: A fundamental state power to expropriate private property for public use given proper compensation.

Just Compensation: Equivalent to the full fair market value of the expropriated property, calculated as of the filing date of the complaint or the date of taking, whichever comes first.

RA No. 8974: Governs expropriation proceedings for national government infrastructure projects, mandating the payment of the full market value as just compensation.

Reckoning Date: For determining just compensation in eminent domain cases, it is the

earlier between the date of the filing of the expropriation complaint and the date of taking of the property.

Historical Background:

The case underscores the evolving legal landscape in the Philippines concerning the expropriation of property for infrastructure projects. It reflects the tension between the state's infrastructure development goals and property owners' rights, and it exemplifies the application of RA No. 8974 in delineating the standards for just compensation, prioritizing fair valuation and immediate compensation to property owners affected by national projects.