

### Title:

National Power Corporation vs. Spouses Misericordia Gutierrez and Ricardo Malit

### Facts:

The National Power Corporation (NPC), a government entity vested with eminent domain under Commonwealth Act No. 120, sought to construct 230 KV Mexico-Limay transmission lines passing through lands owned by various individuals, including the respondent spouses Misericordia Gutierrez and Ricardo Malit. After failed negotiations for right-of-way easements, NPC initiated eminent domain proceedings in January 1965. NPC deposited P973.00 with the Provincial Treasurer of Pampanga as the provisional value of the land owned by the respondent spouses and was subsequently granted possession of the property to commence construction.

Dispute arose over the compensation fee, leading to the appointment of three commissioners to ascertain fair compensation. The commissioners provided varying recommendations, with the plaintiff's commissioner suggesting P1.00 per square meter and the defendants' commissioner suggesting P10.00 per square meter. The court's commissioner recommended P5.00 per square meter.

The trial court initially ordered NPC to pay P10.00 per square meter, later reduced to P5.00 per square meter after reconsideration, excluding attorney's fees. Dissatisfied with both decisions, NPC appealed to the Court of Appeals, which affirmed the trial court's decision. NPC then filed a petition for review on certiorari to the Supreme Court.

### Issues:

1. Whether the acquisition of a right-of-way easement constitutes an exercise of the power of eminent domain.
2. Determination of just compensation for the easement of right-of-way.

### Court's Decision:

The Supreme Court affirmed the decision of the Court of Appeals, holding that the acquisition of a right-of-way easement does indeed constitute an exercise of the power of eminent domain. It was determined that the permanent restrictions imposed by NPC deprived the landowners of ordinary use of their property, justifying compensation under the power of eminent domain. The Court found the trial court's valuation of P5.00 per square meter as fair and rejected NPC's contention that it should only pay for a simple easement fee rather than full compensation for the land traversed by its transmission lines.

### Doctrine:

The Supreme Court reiterated the doctrine that the power of eminent domain may result in taking property not only through appropriation of title and possession but can also impose a burden upon the property owner without loss of title and possession. The imposition of an easement of right-of-way constitutes a “taking” under the power of eminent domain, entitling the landowner to just compensation.

### Class Notes:

- Eminent Domain: The government’s power to take private property for public use with fair compensation.
- Just Compensation: The fair and full equivalent for the loss sustained by the owner due to expropriation. It is based on the property’s market value at the time of taking.
- Right-of-Way Easement: A type of easement that allows the holder a right to pass through another’s property.

### Historical Background:

The case exemplifies the broader context of expanding infrastructure needs in the Philippines during the 20th century, particularly for power distribution, against the rights of private property owners. It highlights the balance between public utility development and individual property rights, within the framework of eminent domain under Philippine law.