

**Title:** Pacalna Sanggacala et al. vs. National Power Corporation

**Facts:**

- 1973:** The Philippine President issues Memorandum Order No. 398 to preserve the Lake Lanao Watershed. This order directs the National Power Corporation (NPC) to mark elevation benchmarks at 702 meters around Lake Lanao, prohibiting cultivation below this elevation.
- 1978:** NPC builds the Agus Regulation Dam at Saduc, Marawi City, to manage Lake Lanao's water outflow and generate hydroelectric power.
- 1995-1996:** Pacalna Sanggacala, Ali Macaraya Mato, Mualam Dimatingcal, and Casimra Sultan, members of the Ranao-NPC Affected Organization, file separate damages lawsuits against NPC, claiming that NPC's refusal to open the dam's floodgates caused periodic flooding damaging their farmlands between 1979 and 1996.
- 1993-1994:** NPC compensates some locals for damages caused by high lake levels.
- Trial Court Proceedings:** The Regional Trial Court (RTC) of Marawi City, in a consolidated case, rules in favor of the farmers, awarding them damages and compensation. NPC appeals to the Court of Appeals.
- Court of Appeals (2013):** The Court reverses the RTC's decision, ruling that the plaintiffs failed to establish a clear connection between NPC's actions and the damages.
- Supreme Court Proceedings (2014-2015):** Petitioners file for Review on Certiorari before the Supreme Court. NPC, represented by the Office of the Solicitor General, argues that petitioners did not prove their claims with sufficient evidence. Amici curiae are appointed to provide their views on the case.

**Issues:**

- Conclusiveness of Judgment:** Whether the doctrine applies, considering a previous similar case involving the NPC.
- Environmental Tort Based on Negligence:** Whether NPC committed environmental torts through negligent dam management.
- Establishment of Damages:** Whether petitioners proved their claim for damages by a preponderance of evidence.
- Application of Damnum Absque Injuria:** Whether the principle of damnum absque injuria, or damage without legal injury applies here.
- Entitlement to Damages:** Whether petitioners are entitled to the awarded damages.

**Court's Decision:**

- Conclusiveness of Judgment:**

- Petitioners argue for the application based on a similar case (2005 National Power Corporation v. Court of Appeals). However, the Supreme Court finds no identity of parties and issues between the two cases as the properties and periods of alleged damages differ. Hence, no res judicata.

2. **Environmental Tort Based on Negligence**:

- Applying tort principles, the Court finds NPC negligent. NPC failed to maintain benchmarks and manage water levels properly. The Court validates the Regional Trial Court's findings, establishing NPC's liability under tort law.

3. **Establishment of Damages**:

- Petitioners' evidence, including tax declarations, photographs, and court decisions from similar cases, are considered sufficient proof. The Court affirms the RTC's award for actual damages based on substantial evidence presented by the petitioners and their established credibility, uncontested by NPC.

4. **Application of Damnum Absque Injuria**:

- The court dismisses NPC's argument, confirming the harm resulted from NPC's negligence, resulting in a legal injury and not merely damnum absque injuria.

5. **Entitlement to Damages**:

- The Court confirms actual damages awarded, however, deletes awards for moral damages, exemplary damages, just compensation, and rental due to insufficient evidence and incongruent findings. Attorney's fees and interest are upheld due to NPC's failure to contest these effectively.

**Doctrine**:

- The tort doctrine can apply to environmental harm wherein wrongful or negligent dam management leads to quantifiable property damage.  
- The principle of damnum absque injuria is inapplicable in cases where negligence is clearly established.

**Class Notes**:

- **Negligence and Quasi-Delict (Civil Code, Art. 2176)**: Elements include damage, fault or negligence, and causal connection.  
- **Res Judicata**: For bar by judgment and preclusion of issues, must meet identity in parties and issues (Rule 39, Section 47, Rules of Court).  
- **Damnum Absque Injuria**: Damage without legal injury does not merit compensation

unless there's evidence of negligence.

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

- The case highlights the role of government-owned corporations (NPC) in environmental management, particularly in vulnerable areas like Lake Lanao. The decision sets a precedent for holding state entities accountable for negligence impacting environmental health and property rights.