

NATIONAL POWER CORPORATION, PLAINTIFF-APPELLANT, VS. EDUARDO VITUG AND FLORO ROXAS, DEFENDANTS-APPELLEES.

Ponente: DE GUIA-SALVADOR, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/4a43cd5cb32c/>

DE GUIA-SALVADOR, J.:

Before us is an appeal from the Decision dated June 3, 2003 rendered by the Regional Trial Court of Bataan, Branch 4, in Civil Case No. 237-ML,[1] the decretal portion of which states:

“WHEREFORE, the National Power Corporation should compensate spouses Floro Roxas and Eufemia Roque for Lot 3, Duale, Limay Bataan and covered by TCT No. 20076 in the amount of Php 100.00 per square meters or a total of Php 5,727,900.vSO ORDERED.”[2]

The Facts

Pursuant to Republic Act No. 6395, as amended, and in connection with its 230 KV Limay-Hermosa Transmission Line Project, appellant National Power of Corporation sought the expropriation of portions of three parcels of land situated in Townsite Limay, Bataan. The first two parcels were agricultural lands registered in the name of Eduardo Vitug under Transfer Certificate of Title Nos. T-29237 and T-29236 of the Bataan registry. The third parcel, an irrigated riceland, was in turn registered in the names of the appellee Floro Roxas and his wife, Eufemia Roxas, under Transfer Certificate of Title No. T-20076 of the same registry.[3]

For the specific purpose of demanding a right of way for its transmission lines, appellant filed a complaint for eminent domain against said registered owners on November 17, 1994.[4] The record shows that after depositing the provisional amount of compensation required by Presidential Decree No. 42, appellant procured the issuance of the March 22, 1995 writ of possession which authorized its taking over the portions measuring 2,200 and 2,220 square meters from each of the parcels owned by Eduardo Vitug. From the parcel of land owned by appellee, on the other hand, appellant appears to have taken over a portion measuring 4,720 square meters.[5]

Appellee moved for a dismissal of the complaint on the ground, among other matters, that the trial court had no jurisdiction over the subject matter insofar as he was concerned.[6] Having in turn filed his answer thereto,[7] however, it appears that Eduardo Vitug reached a settlement with appellant whereby, in exchange for the right of way required by the latter’s project over the aforesaid 2,200 and 2,220 square meter portions of his properties, he was paid compensation in the respective sums of P77,439.11 and P131,536.28, or an average of P47.30 per square meter.[8] With said landowner subsequently dropped as defendant from the case,[9] the trial court proceeded to determine only the just compensation for the 4,720 square meter portion taken over by appellant from appellee’s property.[10]

Upon agreement of the parties, Bataan Provincial Assessor Hermenegildo Pilapil and Limay Municipal Assessor Rodolfo Gomez were both appointed as commissioners to determine the just compensation for the subject 4,720 square meter portion, in terms of its fair market value.[11] While said commissioners submitted their March 16, 2000 report which pegged the fair market value of the realty at P300.00 square meters,[12] however, appellant promptly registered its objection thereto on the ground that said amount was the valuation current in the year 2000

instead of the time of actual taking in 1994.[13] Finding said objection meritorious, the trial court accordingly issued the April 25, 2003 order directing the above-named commissioners to submit once again an appraisal report on the true and fair market value of the property in 1994.[14]

A second appraisal report was, consequently, submitted to the trial court by Jocelyn Linao, then the incumbent Municipal Assessor of Limay. Instead of giving the fair market value of the property in 1994, however, said report adopted the valuation provided under the Schedule of Base Market Value of Properties Within the Province of Bulacan for the Years 1994 to 1996 under Ordinance 8, Series of 1994. Approved by Resolution No. 31 of the Sangguniang Panlalawigan, said Schedule pegged the base market value of the subject realty at P70,000.00 per hectare or P70.00 only per square meter.[15]

On June 3, 2003, the trial court rendered the decision which is the subject matter of the appeal at bench. Ignoring the second appraisal report as aforesaid, it ruled:

xxx xxx xxx

“The Provincial Assessor of Bataan submitted a Report which states that the land involved is agricultural (irrigated riceland) about two (2) kilometers away from the Roman Expressway, commercial, industrial, institutional and residential centers with regular means of transportation (tricycle) playing along and in the vicinity. It has a width of One Hundred (100) meters fronting Duale Road. It is a sone(‘s) throw away from the nearby built concrete water tank of Barangay Hall and Health Center. It is with Panelco extended electric facilities. It is adjacent to clusters of residential houses and there is a concrete road leading to the site from the expressway. He is recommending the amount of Php300.00 per square meter.

Considering that said Provincial Assessor made his report as to the proper compensation in the year 2000, while the actual taking and possession of Lot 3 happened way back in 1994, the undersigned fixes the amount of Php100.00 as reasonable compensation for said lot.”[16]

xxx xxx xxx

Aggrieved, appellant perfected the instant appeal with the filing of its June 17, 2003 Notice of Appeal within the reglementary period.[17]

The Issues

Appellant seeks the reversal and setting aside of the appealed decision on the ground that the trial court reversibly erred in the following wise:

“I

THE LOWER COURT ERRED IN DISREGARDING THE SECOND APPRAISAL REPORT PREPARED BY THE MUNICIPAL ASSESSOR OF LIMAY, BATAAN, AND IN FIXING THE PRICE OF P100.00 PER SQUARE METER AS JUST COMPENSATION FOR THE SUBJECT PROPERTY OWNED BY DEFENDANT-APPELLEE FLORO ROXAS.

II.

THE LOWER COURT ERRED IN OVERDERING THE ACQUISITION AND PAYMENT OF THE WHOLE LOT OF DEFENDANT-APPELLEE FLORO ROXAS WHEN ONLY AN EASEMENT OF RIGHT OF WAY OF A CERTAIN PORTION OF THE PROPERTY IS SOUGHT TO BE ACQUIRED BY PLAINTIFF-APPELLANT.

III.

THE LOWER COURT’S DECISION DIRECTING PLAINTIFF-APPELLANT TO PAY THE FULL FAIR

MARKET VALUE OF THE SUBJECT PROPERTY CONTRAVENES SECTION 3-A (b) OF REPUBLIC ACT NO. 6395 AS AMENDED, WHICH PROVIDES FOR PAYMENT ONLY OF A MAXIMUM EASEMENT FEE EQUIVALENT TO TEN PERCENT (10%) OF THE MARKET VALUE AFFECTED BY THE EASEMENT OF RIGHT OF WAY.”[18]

The Court’s Ruling

We find the appeal impressed with sufficient merit to warrant a reversal of the appealed decision.

It bears emphasizing that just compensation means the full and fair equivalent of the property taken from its owner by the expropriator; the measure is, consequently, not the taker’s gain but the owner’s loss. Just is used to intensify the word compensation to convey the idea that the equivalent to be rendered for the property to be taken shall be real, substantial, full and ample.[19] Understood in its general sense, the concept of just compensation embraces not only the correct determination of the amount to be paid to the owners of the land, but also the payment of the land within a reasonable time from its taking.[20] In eminent domain or expropriation proceedings, the general rule is that the just compensation to which the owner of the condemned property is entitled is its market value, i.e., that sum of money which a person desirous but not compelled to buy, and an owner willing but not compelled to sell, would agree on as a price to be given and received therefor.[21]

Faith to the foregoing principles impels us to discount merit in the first error appellant imputes against the trial court. While it may be readily conceded that expropriated property should be gauged by their value at the time of actual taking,[22] we find that the trial court cannot be faulted for disregarding the appraisal report submitted by Limay Municipal Assessor Jocelyn Linao which merely adopted the valuation in the Schedule of Base Market Value of Properties Within the Province of Bulacan for the Years 1994 to 1996 approved by the Sangguniang Panlalawigan of Bataan. More than the fact that the same appraisal report failed to comply with the trial court’s April 25, 2003 directive to determine the true and fair market value of the subject realty,[23] the P7.00 per square meter fixed in the aforesaid Schedule - being the base instead of the fair market value thereof - is simply too low to be seriously considered as just measure of the compensation due to appellee.

The rule is, moreover, settled that the determination of the just compensation due for property that has been expropriated is a judicial function.[24] For this reason, neither the legislative nor the executive branches of government can impose upon the courts how just compensation should be determined.[25] To our mind, it was in the exercise of this function that the trial court rejected the base fair market value fixed by the Sangguniang Panlalawigan of Bataan which, under the circumstances, barely approximate the price a willing seller would sell and a willing buyer would buy a property in the locality. This much is evident from the fact that appellant itself had seen fit to pay an average of P47.30 per square meter for Eduardo Vitug’s property which is contiguous to that owned by appellee.[26]

Based as it was on the price current in the year 2000 instead of that prevailing at the time of the taking in 1994, we find that the trial court also prudently disregarded the first report submitted by Bataan Provincial Assessor Hermenegildo Pilapil and Limay Municipal Assessor Rodolfo Gomez.[27] Rather than the P100.00 per square meter valuation arbitrarily fixed by the trial court, however, we are inclined to accept the P47.30 appellant paid for every square meter it took over from Eduardo Vitug’s property as the just measure of appellee indemnity. As the price willingly accepted by said property owner from appellant, it stands to reason that said amount is a more reliable gauge for fixing the fair market value of appellee’s property.

While concededly higher than the trial court’s P100.00 per square meter valuation when considered in the light of Section 3-A (b) of Republic Act No. 6395, the absence of any showing of substantial and material disparity in the subject realties impels us to accept said amount as the logical fair market value for appellee’s property. Indeed,

our perusal of the record shows that the parcels of land owned by Eduardo Vitug and appellee are all agricultural in nature, i.e., irrigated and planted to rice.[28] Aside from being contiguous to each other along Duale Road, appellant's complaint even significantly alleged that said realties appear to have the same assessed value.[29]

We are not, of course, oblivious of the fact that the expropriation proceedings at bench was commenced by appellant solely for the purpose of acquiring the easement of right of way for its transmission lines. For its third assignment of error, appellant, in fact, calls our attention to Section 3-A (b) of Republic Act No. 6395, as amended, which reads as follows:

“Section 3-a. - In acquiring private property or private property rights through expropriation proceedings where the land or portion thereof will be traversed by the transmission lines, only a right-of-way easement thereon shall be acquired when the principal purpose for which such land is actually devoted will not be impaired, and where the land itself or portion thereof, will be needed for the project or works, such land or portion thereof as necessary shall be acquired.

In determining the just compensation of the property or property sought to be acquired through expropriation proceedings, the same shall-

xxx xxx xxx

(b) With respect to the acquired right-of-way easement over the land or portion thereof, not to exceed ten percent (10%) of the market value declared by the owner or administrator or anyone having legal interest in the property, or such market value as determined by the assessor whichever is lower.” (emphasis supplied)

xxx xxx xxx

Since it is settled, however, that an existing law enters into and forms part of a valid contract without the need for the parties expressly making reference to it,[30] it can be safely presumed that appellant took note of the foregoing provision when it agreed to pay P47.30 per square meter of Eduardo Vitug's property.

Appellant is, finally, correct in taking exception to the fact that the trial court ordered the payment of just compensation for the entirety of appellee's parcel. Our perusal of the complaint from which the instant suit stemmed, after all, shows that the former only prayed for the expropriation of a 4,720 square meter portion of the latter's property.[31] Faced with diametrically variant sums upon which the just compensation due was urged to be based, we find that the trial court lost sight of the fact that the writ of possession it issued on March 22, 1995 merely authorized appellant to take over the aforesaid portion of the subject property.[32] It consequently goes without saying that, instead of the entire 57,279 square meters comprising the same, appellee's indemnity should only be based on the 4,720 square meter portion utilized by appellant for its transmission lines.

All told, we find appellee entitled to just compensation computed on the basis of the P47.30 per square meter valuation appellant earlier paid the former's neighbor, Eduardo Vitug. Reckoned alongside the 4,720 square meter portion of appellee's property which was taken over by appellant for the easement of right-of-way of its transmission lines, said indemnity amounts to a total of P223,256.00.

WHEREFORE, the appealed Decision dated June 3, 2003 is REVERSED and SET ASIDE. In lieu thereof, another is entered ordering appellant to pay the just compensation for the 4,720 square meter portion of appellee's property in the aggregate sum of P223,256.00.

SO ORDERED.

Reyes, (Chairman) and Roxas, JJ., concur.

[1] p. 202, Orig. Rec.

[2] *ibid.*

[3] p. 2, *ibid.*

[4] pp. 1-8, *ibid.*

[5] pp. 15-16; 24-28, *ibid.*

[6] pp. 53-54, *ibid.*

[7] pp. 10-12, *ibid.*

[8] pp. 55; 70; 76-80; 90, *ibid.*

[9] p. 81, *ibid.*

[10] pp. 77-81, *ibid.*

[11] pp. 118-121; 123; 145, *ibid.*

[12] p. 145, *ibid.*

[13] pp. 154-156, *ibid.*

[14] p. 200, *ibid.*

[15] p. 201, *ibid.*

[16] p. 202, *ibid.*

[17] pp. 203-204, *ibid.*

[18] p. 35, Rollo.

[19] *Association of Small Landowners in the Philippines vs. Secretary of Agrarian Reform*, 175 SCRA 343.

[20] *Estate of Salud Jimenez vs. Philippine Export Processing Zone*, 349 SCRA 240.

[21] *Bank of the Philippine Islands vs. Court of Appeals*, 441 SCRA 637.

[22] *Gabatin vs. Land Bank of the Philippines*, 444 SCRA 176.

[23] p. 200, Orig. Rec.

[24] *National Power Corporation vs. Court of Appeals*, 254 SCRA 577.

[25] *National Power Corporation vs. Jocson*, 206 SCRA 520.

[26] pp. 55; 70; 76-80; 90, Orig. Rec.

[27] p. 145, *ibid.*

[28] pp. 6-8, *ibid.*

[29] pp. 2; 6-8, *ibid.*

[30] *Escorpizo vs. University of Baguio*, 306 SCRA 497; *Ortigas & Co., Ltd. vs. Court of Appeals*, 346 SCRA 748; *Executive Secretary vs. Court of Appeals*, 429 SCRA 81.

[31] p. 1-8, *ibid.*

[32] pp. 15-16; 24-28, *ibid.*

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.