MERARDA Q. CARAMAT, DOING BUSINESS UNDER THE NAME AND STYLE “PERFECTO QUINTO RICE MILL” AND BM & M PRINTING PRESS, PLAINTIFF-APPELLANT, VS. CENTRAL PANGASINAN ELECTRIC COOPERATI...

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GALAPATE-LAGUILLES, J:

This is an Appeal under Rule 41 of the Rules of Court challenging the Decision[1] dated 28 September 2010 of the Regional Trial Court (RTC) of Dagupan City, Branch 40, in Civil Case No. 98-02172-D, which dismissed the Complaint for Damages with Prayer for a Writ of Preliminary Mandatory and Prohibitory Injunction[2] filed by plaintiff-appellant Merarda Q. Caramat (Caramat) against defendant-appellee Central Pangasinan Electric Cooperative (CENPELCO).

The following are the facts:

Caramat is the daughter of Rosenda Aquino and Perfecto Quinto (spouses Quinto), the owners of Perfecto Quinto Rice Mill in Banaong, Mangaldan, Pangasinan. On 18 April 1977, the spouses Quinto sold to appellant Caramat the said rice mill through a Deed of Absolute Sale.[3] The Deed of Absolute Sale specifically provides that:

> It is further agreed and covenanted that as of this date as part of this consideration herein indicated, Merrarda A. Quinto shall assume all existing obligations and contracts which had been entered into, if any, with whomsoever by the said Perfecto Quinto Rice Mill.

Sometime in December 1991, appellant Caramat had the business name Perfecto Quinto Rice Mill changed to M.M. Quinto Rice Mill.[4] However, the electric meter in the rice mill remained under the account name of Perfecto Quinto (Rice Mill) with CENPELCO Account No. 15-1599-0260. Later on, Caramat ventured into a printing press business,[5] using the same electric meter of the rice mill.

In the morning of 10 February 1998, the field personnel of the CENPELCO conducted an inspection of Caramat's electric metering installation at her rice mill and printing press and found a[6] “detached/removed X2 Terminal in C.T. thereby stealing electric current (sic) x x x.”[7] Since Caramat was not around at the time, CENPELCO's field personnel left.[8]

At around 1:30 in the afternoon of the same day, CENPELCO field personnel returned to Caramat's establishment. After a while, Sandra Frias, the Manager of CENPELCO arrived. After taking photographs of the disconnected line, Caramat's electric meter was confiscated.[9]

On 12 February 1998, Caramat went to the CENPELCO San Carlos Branch in Pangasinan to inquire why her electrical supply was disconnected. The General Manager of CENPELCO informed Caramat that CENPELCO employee noticed a detached wire in her meter. The said General Manager advised Caramat that in order that her electric meter be re-installed, she has to pay the amount of Php 350,000.00 representing the unregistered electric consumption resulting from the tampering of the electric meter. Caramat refused to settle the bill, however, hence,

CENPELCO refused to reconnect her service line.[10]

Thus, on 16 February 1998, appellant Caramat as actual user of CENPELCO Account No. 15-1599-0260 under the name of Perfecto Quinto (Rice Mill), filed a Complaint for Damages with Prayer for a Writ of Preliminary Mandatory and Prohibitory Injunction[11] before the RTC of Dagupan City, Branch 40, against herein defendant-appellee CENPELCO praying that the latter be ordered to re-install the electric meter which it confiscated from her establishment. Caramat likewise prayed for damages and cost of the suit.[12]

On 20 February 1998, the RTC granted Caramat's prayer for the issuance of a preliminary mandatory injunction upon the posting of Php 20,000.00 bond.[13]

In its Answer with Affirmative and/or Special Defenses and Counterclaim,[14] CENPELCO denied the material allegations of Caramat's Complaint. It mainly argued that Caramat has no cause of action against it since the registered owner of the electric meter was Perfecto Quinto (Rice Mill).

On 28 September 2010, the RTC rendered the assailed Decision dismissing Caramat's Complaint, the dispositive portion of which reads:

> WHEREFORE, premises considered, this case is hereby dismissed for lack of cause of action and capacity of the plaintiff to sue the defendant.
>
> SO ORDERED.

Hence, the instant Appeal imputing the following assignment of errors[15] to the RTC, viz:

> 1. THE LOWER COURT ERRED IN HOLDING THAT THERE IS LACK OF CAUSE OF ACTION.
>
> 2. THE LOWER COURT ERRED IN DECLARING THAT THE PLAINTIFF HAS NO CAPACITY TO SUE THE DEFENDANT.
>
> 3. THE LOWER COURT ERRED IN NOT AWARDING DAMAGES AGAINST THE DEFENDANT.

The Appeal is meritorious.

Caramat bewails the findings of the RTC that she has no cause of action against CENPELCO since she was not the registered consumer of CENPELCO Account No. 15-1599-0260 being under the account name of Perfecto Quinto (Rice Mill).[16] She argues that being the owner and proprietor of the rice mill and printing press, she has the personality to sue and has a cause of action against CENPELCO.[17]

We agree with Caramat.

Section 2, Rule 3 of the Rules of Court requires that unless otherwise authorized by law or the Rules of Court every action must be prosecuted or defended in the name of the real party in interest.[18] Under the same rule, a real party in interest is one who stands to be benefited or injured by the judgment in the suit, or one who is entitled to the avails of the suit. Accordingly, a person, to be a real party in interest in whose name an action must be prosecuted, should appear to be the present real owner of the right sought to be enforced, that is, his interest must

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be a present substantial interest, not a mere expectancy, or a future, contingent, subordinate, or consequential interest.[19]

The purposes of the requirement for the real party in interest prosecuting or defending an action at law are: (a) to prevent the prosecution of actions by persons without any right, title or interest in the case; (b) to require that the actual party entitled to legal relief be the one to prosecute the action; (c) to avoid a multiplicity of suits; and (d) to discourage litigation and keep it within certain bounds, pursuant to sound public policy.[20]

In the case at bar, by virtue of the above-mentioned Deed of Absolute Sale, Caramat has assumed all existing obligations and contracts which had been entered into by Perfecto Quinto Rice Mill. This Deed includes the contract entered into by Perfecto Quinto (Rice Mill) with CENPELCO under Account No. 15-1599-0260. Thus, she is entitled to enjoy all the rights and assume all the obligations with respect to the electricity supplied by CENPELCO to Perfecto Quinto Rice Mill.

Caramat has a present substantial and material right and interest with respect to a continuous supply of electricity provided by CENPELCO to Perfecto Quinto Rice Mill. CENPELCO has the correlative obligation to respect the same. Any undue interruption or curtailment of the supply of electricity by CENPELCO is a breach of its obligation to her said substantive right and interest. This breach is an invasion and violation of her right and interest which entitles her to exercise her right to institute an action against CENPELCO in order to assert and protect her said right and interest and be afforded the reliefs granted by law by reason of CENPELCO's acts or conduct. As declared by the Supreme Court in one case, "a person having no material interest to protect cannot invoke the jurisdiction of the court as the plaintiff in an action."[21] Without doubt, Caramat is considered as a real party in interest in her Complaint against CENPELCO which she instituted before the lower court. The lower court should not have dismissed her action as her complaint clearly states a cause of action.

Caramat next avers that CENPELCO failed to prove that her electric meter was tampered.[22]

The law relative to the immediate disconnection of electricity is Section 4, Republic Act No. 7832 or known as "Anti-Electricity and Electric Transmission Lines/Materials Pilferage Act of 1994, which reads as follows:

> "SEC. 4. Prima Facie Evidence.–(a) The presence of any of the following circumstances shall constitute prima facie evidence of illegal use of electricity, as defined in this Act, by the person benefitted thereby, and shall be the basis for: (1) the immediate disconnection by the electric utility to such person after due notice, x x x
>
> (iv) The presence of a tampered, broken, or fake seal on the meter, or mutilated, altered, or tampered meter recording chart or graph, or computerized chart, graph, or log;
>
> x x x x
>
> (viii) x x x Provided, however, That the discovery of any of the foregoing circumstances, in order to constitute prima facie evidence, must be personally witnessed and attested to by an officer of the law or a duly authorized representative of the Energy Regulatory Board (ERB).

From the foregoing, it is thus clear that the presence of an officer of the law or a duly authorized representative of the ERB must first be established for "in order for the discovery of a tampered, broken or fake seal on the meter

to constitute prima facie evidence of illegal use of electricity by the person who benefits from such illegal use, the discovery thereof must have been personally witnessed and attested to by an office of the law or a duly authorized representative of the ERB."[23]

Citing Quisumbing v. Manila Electric Company,[24] the Supreme Court also reiterated the significance of this requirement in Manila Electric Company v. Chua,[25] thus:

> The presence of government agents who may authorize immediate disconnections go into the essence of due process. Indeed, we cannot allow respondent to act virtually as prosecutor and judge in imposing the penalty of disconnection due to alleged meter tampering. That would not sit well in a democratic country. After all, Meralco is a monopoly that derives its power from the government. Clothing it with unilateral authority to disconnect would be equivalent to giving it a license to tyrannize its hapless customers.

Sandra Frias, the Manager of CENPELCO, testified that the inspection and discovery of the tampered meter were witnessed by police officers of the Mangaldan Police Station, Mangaldan, Pangasinan, thus:

> x x x
>
> q You said that you went to the police station to secure their assistance, now, were the policemen able to accompany you at the Perfecto Quinto Ricemill?
> a Yes[,] sir.
>
> q Now, when you arrived at the place, what happened therein?
> a I have a meeting with them that if they can really prove that there is illegal connection and they all said, yes, sir.
>
> q Who was that who told you that the illegal connection was positive?
> a Engineer Ignacio, sir.
>
> q Who else?
> a All of them who are there, sir.
>
> q What else happened while you were at the said place?
> a Together with the policemen, we roam (sic) around the place and the illegal connection is at the roof, but if you are at the groundfloor (sic) you can see a detach (sic), I do not know what kind of connection, sir.
>
> q Were you able to see a detached connection?
> a Yes[,] there is, sir.

q What happened after that?
a Together with the caretaker, the caretaker accompanied our men and then we made a decision to show that there is really an illegal connection on our part (sic), that we are doing a legal business, there, sir.

q What else, what further action was taken?
a I asked the caretaker and I was told, he was mentioning about Mrs. Caramat, the owner of the milling business who is coming from a place and we waited for her for several hours but she did not come so we told the caretaker that we have to disconnect the line and he agreed, sir.

x x x

q When you informed the caretaker that you are going to disconnect the line and he agreed, what further action did you take if any?
a We requested the policemen to also see the line, to see for themselves the illegal connection, sir.

q Were the policemen able to see the disconnected lines?
a Yes sir.

q After the policemen already saw the disconnected lines, what happened next, if any?
a We made a check load on the equipments (sic), sir.

q What else were done?
a We have this surveillance report and found there several equipments, sir.

q You made mention of the inspection surveillance and apprehension report, if a copy thereof will be shown to you, will you be able to identify the same?
a Yes[,] sir.

q Will you please tell us if that is the inspection report?
a Yes[,] sir.[26]

x x x

However, the testimony of Caramat's caretaker, Noli Bedurial (Bedurial), is bereft of any indication that the police officers who accompanied Frias to Caramat's establishment personally witnessed the inspection and removal of the purported tampered electric meter. Thus:

q When you reported for work on February 10, 1998, do you remember if any person went there?

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a Yes, sir.

q Who were those?
a Employees of Cenpelco, sir.

q Do they have any vehicle?
a Yes, Elf, sir.

q How many employees of Cenpelco arrived?
a Four (4), sir.

q What did they do if any?
a They told us that they will calibrate the electric meter, sir.

q When they told you that they will calibrate the electric meter, what did they do?
a One of them climbed up the roof, sir.

q About the others(sic)?
a The other one was looking at the electric meter, sir.

q You said one of them climbed up the roof, do you know what that person did when he went up the roof?
a I did not see, sir.

q How long did he stay there at the roof?
a About after 10 minutes, the man who climbed the roof went down, sir.

q What did he do when they came down?
a He called up one of his companion, and they both climbed up the roof, sir.

q And how long did the two (2) Cenpelco employees stay on the roof?
a Around ten (10) minutes, sir.[27]

x x x

q When they could not insist that, what did the Cenpelco do if any?

a They left the premises then they came back at about 1:30 in the afternoon, sir.

q When they came back at 1:30, how many of them?
a The same personnel came back, and they were insisting that I should call my employer, sir.[28]

x x x

q If they could not insist that you will call your employer, what did they do?
A If you cannot call them, we will just bring this meter up, sir.

q So, what did the Cenpelco do after that?
a At that time the manager arrived, sir.

q What did the manager and the Cenpelco employees do after that?
a They took pictures then they removed, disconnected the electric meter, fuse and got the electric meter, sir.[29]

x x x

Moreover, the pertinent portion of Caramat's testimony reveals the following, viz:

x x x

q Did you sue the policemen who went to your place?
a No, sir.

q Why?
a Why will I sue them?

q You mean, they have not offended you?
a They did not enter the ricemill. They were only in (sic) the gate.[30]

x x x

From the conflicting version of the testimony of Caramat and her witness on one hand, and the testimony of CENPELCO's witness on the other, this Court is wary to conclude that the police officers who accompanied Frias to Caramat's establishment personally witnessed the inspection and removal of the alleged tampered meter.

Absent any clear showing that an officer of the law or a duly authorized representative of the ERB personally witnessed and attested to the discovery of Caramat's tampered electric meter, such discovery did not constitute prima facie evidence of illegal use of electricity that justifies immediate disconnection of electric service.[31]

Assuming arguendo that the police officers who accompanied Frias to Caramat's establishment personally witnessed the tampered electric meter, it does not appear from the records of the case that then said police officers had also attested to the fact of tampering as required under Section 4, RA 7832. As stated earlier, for tampering to be the basis for the disconnection of a customer’s electric supply, the discovery of such must be personally witnessed and attested to by an officer of the law or an ERB representative. It bears to emphasize that the word "and" is a conjunction used to denote a joinder or union; it is pertinently defined as meaning "together with", "joined with", "along or together with."[32] A closer scrutiny of the Inspection, Surveillance and Apprehension Report[33] and the Apprehension/Disconnection Report[34] both dated 10 February 1998 would unveil that the said documents do not bear any signatures of the police officers who accompanied Frias to Caramat's establishment to attest that they had personally witnessed the inspection and removal of the alleged tampered meter.

Having ruled that the immediate disconnection effected by Meralco lacks legal, factual or contractual basis, we will now pass upon the right of Caramat to recover damages for the improper disconnection.

Moral damages are awarded to compensate the claimant for physical suffering, mental anguish, fright, serious anxiety, besmirched reputation, wounded feelings, moral shock, social humiliation and similar injury. Jurisprudence has established the following requisites for the award of moral damages: (1) there is an injury whether physical, mental or psychological, which was clearly sustained by the claimant; (2) there is a culpable act or omission factually established; (3) the wrongful act or omission of the defendant is the proximate cause of the injury sustained by the claimant; and (4) the award of damages is predicated on any of the cases stated in Article 2219 of the Civil Code.[35]

Pertinent to the case at hand, Article 32 of the Civil Code provides for the award of moral damages in cases where the rights of individuals, including the right against deprivation of property without due process of law, are violated.[36]

Here, CENPELCO had no legal right to immediately disconnect Caramat's electrical supply without observing the requisites of law which, in turn, are akin to due process. In line with current jurisprudence,[37] We award moral damages to Caramat in the amount of Php 50,000.00.

In addition to moral damages, exemplary damages are imposed by way of example or correction for the public good. In this case, to serve as an example - that before disconnection of electric supply can be effected by a public utility, the requisites of law must be complied with – We award exemplary damages to Caramat[38] in the amount of Php 50,000.00.

Finally, with the award of exemplary damages, the award of attorney's fees is likewise granted.[39] It is readily apparent that Caramat was compelled to litigate or incur expenses to protect her interest by reason of an unjustified act of the CENPELCO.[40] Thus, an award of Php 20,000.00 is considered sufficient.[41]

In fine, electricity is property the enjoyment of which the provider may extend or deny to others. However, electricity is not just any property. Electricity is a basic necessity the generation and distribution of which is imbued with public interest, and its provider is a public utility subject to strict regulation by the State in the exercise of police power. Failure to comply with these regulations will give rise to the presumption of bad faith or abuse of right.[42]

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WHEREFORE, premises considered, the instant Appeal is GRANTED. The Decision dated 28 September 2010 of the Regional Trial Court (RTC) of Dagupan City, Branch 40, in Civil Case No. 98-02172-D, is hereby REVERSED and SET ASIDE. Defendant-appellee Central Pangasinan Electric Cooperative (CENPELCO) is ORDERED to RE-CONNECT the plaintiff-appellant Merarda Q. Caramat's electric supply under CENPELCO Account No. 15-1599-0260 and to pay the latter Php 50,000.00 as moral damages, Php 50,000.00 as exemplary damages, and Php 20,000.00 as attorney's fees.

SO ORDERED.

Librea-Leagogo, (Chairperson), and Diamante, JJ., concur.

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[1] Original Records, pp. 430-437. Penned by Judge Robert O. Rudio.

[2] Id., pp. 1-7.

[3] Id., p. 270, Exhibit “A.”

[4] Id., p. 282, Exhibit “D.”

[5] Id., p. 283, Exhibit “E.”

[6] TSN, Noli Bedurial, January 20, 2000, pp. 5-8.

[7] Original Records, p. 41, Exhibit “10.”

[8] TSN, Noli Bedurial, January 20, 2000, pp. 9-10.

[9] Id., pp. 10-12.

[10] TSN, Merarda Caramat, January 20, 1999, pp. 17-19.

[11] Original Records, pp. 1-7.

[12] Id., pp. 5-6.

[13] Id., p. 17.

[14] Id., pp. 35-38.

[15] Rollo, pp. 27-28.

[16] Id., p. 28.

[17] Id., p. 29.

[18] Section 2. Parties in interest.— A real party in interest is the party who stands to be benefitted or injured by the judgment in the suit, or the party entitled to the avails of the suit. Unless otherwise authorized by law or these Rules, every action must be prosecuted or defended in the name of the real party in interest.

[19] Stronghold Insurance Company, Inc. v. Cuenca, et al., G.R. No. 173297, March 6, 2013, citing Rayo vs. Metropolitan Bank and Trust Company, G.R. No. 165142, December 10, 2007, 539 SCRA 571, 578-579; Northeastern College Teachers and Employees Association vs. Northeastern College, Inc., G.R. No. 152923, January 19, 2009, 576 SCRA 149, 174.

[20] Stronghold Insurance Company, Inc. v. Cuenca, et al., supra, citing Ortiz v. San Miguel Corporation, G.R.

Nos. 151983-84, July 31, 2008, 560 SCRA 654, 672-673.

[21] Stronghold Insurance Company, Inc. v. Cuenca, et al., supra, citing Oco v. Limbaring, G.R. No. 161298, January 31, 2006, 481 SCRA 348, 358.

[22] Rollo, p. 30.

[23] Manila Electric Company v. Atty. Pablito M. Castillo, G.R. No. 182976, January 14, 2013.

[24] G.R. No. 142943, April 3, 2002.

[25] G.R. No. 160422, July 5, 2010.

[26] TSN, October 24, 2005, Sandra Frias, pp. 8-11.

[27] TSN, Noli Bedurial, January 20, 2000, pp. 5-7

[28] TSN, Noli Bedurial, January 20, 2000, p. 10.

[29] TSN, Noli Bedurial, January 20, 2000, pp. 11-12.

[30] TSN, Merarda Caramat, May 16, 2000, p. 8.

[31] Manila Electric Company v. Atty. Pablito M. Castillo, supra.

[32] Dayao v. Commission on Election, G.R. No. 193643 and G.R. No. 193704, January 29, 2013, citing Agpalo, Statutory Construction, p. 206 (2003).

[33] Original Records, p. 13, Exhibit “1.”

[34] Id., p. 12, Exhibit “2.”

[35] Manila Electric Company v. Atty. Pablito M. Castillo, supra, citing Manila Electric Company v. Chua, G.R. No. 160422, July 5, 2010.

[36] Id.

[37] Id.

[38] Id.

[39] Spouses Quisumbing v. Manila Electric Company, G.R. No. 142943, April 3, 2002, citing Article 2208 (1), Civil Code.

[40] Cf. Metropolitan Waterworks and Sewerage System v. ACT Theater, Inc., G.R. No. 147076, June 17, 2004, citing Terminal Facilities and Services Corporation vs. Philippine Ports Authority, 378 SCRA 82 (2002).

[41] Spouses Quisumbing v. Manila Electric Company, supra.

[42] SAMAR II Electric Cooperative, Inc., and Baltazar Dacula vs. Estrella Quijano, G.R. No. 144474, April 27, 2007.

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