

NATIONAL POWER CORPORATION, PETITIONER, VS. HON. FRANCISCO ARCA, JUDGE OF THE COURT OF FIRST INSTANCE OF MANILA, PHILIPPINE POWER & DEVELOPMENT COMPANY AND DAGUPAN ELECTRIC CORP...

G.R. No. L-23309. October 31, 1968

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

Original petition for certiorari filed by the National Power Corporation directed against the orders of the Court of First Instance of Manila, denying its motions to dismiss and to dissolve the writ of preliminary injunction issued in Civil Case No. 55824 of said court.

On 26 December 1963, the Philippine Power and Development Company[1] and the Dagupan Electric Corporation,[2] in their own behalf and on that of all the electric plant operators, who are members of the Philippine Electric Plant Owners' Association (PEPOA) filed an injunction suit in the Court of First Instance of Manila (Civil Case No. 55824) to restrain enforcement by the National Power Corporation of a revised rate of charges for the electric power and energy sold by said defendant, which schedule of new rates would take effect 1 January 1964. The petition alleged, inter alia, that the disputed revised rates, which would increase the cost of electric power and energy being purchased from defendant by plaintiff Philippine Power and Development Company by 24% and that purchased by plaintiff Dagupan Electric Corporation by 30%, are unreasonable, excessive and unnecessary; that the said revised rates had not been previously approved by the Public Service Commission; and that the unilateral revision by the defendant of the rate and its imposition upon the plaintiffs of the amended contracts embodying said new rates, without first submitting them to arbitration, was in gross violation of the provisions of the current contracts between them. Plaintiffs thus prayed the court for a temporary restraining order to prevent the scheduled enforcement and implementation of the revised rates and amended contracts; that, after hearing, said injunction be made permanent; and that they be awarded attorneys' fees and costs.

Finding sufficient reasons therefor, the court issued, on 27 December 1963, the writ of preliminary injunction prayed for by the plaintiffs, upon their filing a bond for P5,000.00.

Defendant thereupon moved to dissolve the injunction, claiming that the enforcement of the new rate schedule will not violate any right of the plaintiffs; that it will not cause them irreparable damage or injury; that there are other legal remedies available to the plaintiffs; and that the court has no jurisdiction to pass upon the reasonableness or necessity of the revised rates, the authority therefor allegedly belonging to the Public Service Commission. A motion to dismiss the petition was also filed, based on the same ground of lack of jurisdiction by the court. Upon denial of this motion on 5 February 1964, defendant filed its answer with counterclaims, traversing the allegations of the petition and raising, as one of the special defenses, the issue of the court's jurisdiction over the subject matter of the action.

By order of 4 March 1964, the court denied defendant's motion to dissolve the injunction; and when its motion for reconsideration of the aforesaid order was also denied on 10 June 1964, defendant National Power Corporation filed the present petition, charging the respondent judge with grave abuse of discretion in not dismissing the case and in not dissolving the temporary restraining order issued therein.

In this proceeding, petitioner does not deny that the lower court can take cognizance of some of the issues raised by the parties in their pleadings. It is petitioner's theory, however, that for a court to acquire jurisdiction over a case it is not enough that it should have jurisdiction "over a portion of the subject matter of the complaint", but upon all the issues brought up by the pleadings. And since, according to petitioner, the court below cannot determine the reasonableness of the disputed revised rates, which is one of the issues raised in the petition, because the matter allegedly pertains to the Public Service Commission pursuant to Republic Act 2677, it is contended that the respondent judge committed grave abuse of discretion in refusing to dismiss the case and to dissolve the writ of preliminary injunction involved in this controversy.

The contention is devoid of merit.

In the first place, contrary to petitioner's assertion, the authority to inquire into the rates of charges for services rendered by the National Power Corporation does not devolve upon the Public Service Commission. Commonwealth Act No. 120, creating the National Power Corporation, specifically provides:

"SEC. 2. The powers, functions, rights and activities of the said corporation shall be the following:

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"(g) to sell electric power and to fix the rates and provide for the collection of the charges for any service rendered: Provided, That the rates of charges shall not be subject to revision by the Public Service Commission." (Underlining supplied)

It is true that under Sections 13 and 14 of Republic Act 2677,[3] amending the Public Service Act and approved on 18 June 1960, the Public Service Commission was vested with jurisdiction to fix the rate of charges by public utilities owned or operated by any instrumentality of the National Government or by any government-owned or controlled corporation. But the enactment of this later legislation, which is a general law, cannot be construed to have repealed or withdrawn the exempting proviso of Section 2, paragraph (g), of the earlier Commonwealth Act No. 120 abovequoted. For it is now the settled rule in this jurisdiction that "a special statute, providing for a particular case or class of cases, is not repealed by a subsequent statute, general in its terms, provisions and applications, unless the intent to repeal or alter is manifest, although the terms of the general law are broad enough to include the cases embraced in the special law" (Manila Railroad Co. vs. Rafferty, 40 Phil. 225).

In the present case, there appears no such legislative intent to repeal or abrogate the provisions of the earlier special law. From the explanatory note to House Bill No. 4030, that later became Republic Act No. 2677, it was explicit that the jurisdiction conferred upon the Public Service Commission over the public utilities operated by government-owned or controlled corporations is to be confined to the fixing of rates of such public services, "in order to avoid cutthroat or ruinous and unfair competition detrimental to operators and to the public interests".[4] By the nature of the service being rendered by the National Power Corporation, i.e., the harnessing and then distribution and sale of electric power and energy to electric plant owners who, in turn, resell them to the consuming public, the contingency intended to be met by the legal provision under consideration would not exist. No other conclusion appears possible, therefore, than that the authority of the Public Service Commission under Republic Act 2677, over the fixing of rate of charges of public utilities owned or operated by government-owned or controlled corporations, can only be exercised where the charter of the government corporation concerned does not contain any provision to the contrary.

"Where there are two statutes, the earlier special and the later general -- the terms of the general broad enough to include the matter provided for in the special -- the fact that one is special and the other is general creates a presumption that the special is to be considered as remaining an exception to the general, one as a general law of the land, the other as the law of a particular case." (Manila Railroad Company vs. Rafferty, 40 Phil. 225, 228; City of Manila vs. Public Service Commission, 52 Phil. 515)

But even if it were held that sections 13(a) and 14 of the Public Service Law, as amended by Republic Act 2677, have overridden and impliedly repealed the incompatible proviso of section 2(g) of the National Power Corporation charter, and that the Public Service Commission had jurisdiction to fix its rates, the position of this petitioner would not improve. For it is nowhere denied that the new schedule of rates that the National Power Corporation was attempting to impose had not been previously authorized by the Public Service Commission, hence the respondents power companies were justified in contesting such new rates as illegal. In doing so, they were entitled to apply to respondent court of first instance for injunctive relief against the wrongful attempt of petitioner to enforce such un-authorized rates, since that remedy is not obtainable from the Public Service Commission itself (V. Commonwealth Act 146, section 22; Ramos vs. Court of First Instance of Tayabas, 58 Phil. 374, 376). Injunction is an exercise of judicial power, while the Public Service Commission is but an administrative body with limited functions.[5]

Thus, whether or not the Public Service Commission had authority to pass upon the petitioner's revised rates, it is undeniable that respondents companies had the right to resort to the respondent court of first instance in quest of injunctive relief against their enforcement which were claimed to be unauthorized by law and violative of respondents' contracts; and it equally lay within the lower court's jurisdiction to entertain their action. The grant of the injunction complained of was merely incidental to the authority of the court to take cognizance of and adjudicate the main controversy submitted to it.

Neither does the petitioner make out a case of abuse of discretion. Its side of the question was given due consideration, through its motion to lift the preliminary injunction issued. Whatever error may have been committed in denying that motion would be at most an error of judgment, not correctible by prerogative writ but by seasonable appeal. The argument that private respondents should have first exhausted administrative remedies by appeal to the National Economic Council and the President is without merit, for the petitioner itself claimed that the revised rates had been already approved by said Council; furthermore, neither that body nor the President could adjudicate whether or not there was a violation of the contracts between petitioner and the private respondents, as the latter averred.

As to the claim that the damages to be suffered by private respondents are not irreparable, we believe that the same is untenable, for the losses to be suffered by the said respondents would necessarily reduce their resources and efficiency and prejudicially involve the services rendered by them to the general public, to an extent that can not be determined in advance.

WHEREFORE, the petition for a writ of certiorari is denied, and the preliminary injunction heretofore issued is dissolved. Costs against petitioner National Power Corporation.

Concepcion, C.J., Dizon, Makalintal, Sanchez, Castro, Angeles, Fernando, and Capistrano, JJ., concur.
Zaldivar, J., on leave, did not take part.

[1] Owner of electric plants and holder of franchises to maintain, operate, distribute and supply electric light and power in the towns of Calamba, Los Baños, Bay, Rizal, Nagcarlan, Lilio, Majayjay, Magdalena, Sta. Cruz and Pila, in the province of Laguna.

[2] Owner and operator of the electric plant supplying electric light and power in Dagupan City.

[3] "SEC. 13. (a) The Commission shall have jurisdiction, supervision, and control over all public services and their franchises, equipment, and other properties, and in the exercise of its authority, it shall have the necessary powers and the aid of public force: Provided, That public services owned or operated by government entities or government-owned or controlled corporations shall be regulated by the Commission in the same way as privately-owned public services, but certificates of public convenience and necessity shall not be required of such entities or corporations;"

"SEC. 14. The following are exempted from the provisions of the preceding section:

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"(e) Public services owned or operated by any instrumentality of the National Government or by any government-owned or controlled corporation, except with respect to the fixing of rates."

[4] House Congressional Record, Vol. III, No. 63, page 2368.

[5] Dagdag vs. Public Service Commission, 104 Phil. 162; Hoc Lian Ho vs. Manila Electric Co., 63 Phil. 104; Filipino Bus Co. vs. Phil. Railway Co., 57 Phil. 860; Manila Electric Co. vs. Pasay Transportation Co., 57 Phil. 1016.

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