

WILLIAM N. MIRANO, PLAINTIFF-APPELLEE, VS. CENTRAL NEGROS COOPERATIVE, INC. (CENECO) AND CHRISTOPHER RIOS, DEFENDANTS-APPELLANTS.

Ponente: LOPEZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/f0abfa641e1d/>

LOPEZ, J.:

Before Us is a February 21, 2011 Decision[1] of the Regional Trial Court, Branch 46 of Bacolod City in Civil Case No. 00-11267 for Injunction with Preliminary Injunction With Damages rendered in favor of plaintiff-appellee William Mirano, the decretal portion of which reads;

“WHEREFORE, in the light of the foregoing, Judgment is hereby rendered in favor of the plaintiff and against the defendants CENECO and Christopher Rios, who are hereby ordered to jointly and severally pay the plaintiff, Atty. William N. Mirano, the following:

- P18,556.47 plus legal interest from the date of finality of this Decision until the said amount is completely paid;
- P300,000.00 as moral damages;
- P200,000.00 as exemplary damages;
- P50,000.00 as attorney’s fees; and
- To pay the cost of suit.

SO ORDERED.”[2]

ANTECEDENT FACTS

Central Negros Cooperative, Inc. (CENECO) is an electric cooperative organized and existing under Philippine laws engaged in the business of power distribution with franchise area covering the Cities of Bacolod, Bago, Silay, Talisay and the Municipalities of Murcia and Don Salvador Benedicto. Its principal office is situated at CENECO Bldg., Mabini Street, Bacolod City, Philippines.

Plaintiff-appellee William N. Mirano is a member-consumer of CENECO with five (5) existing accounts therein, to wit:

- Account Number 142816 for his residence at No. 21, De La Rama Drive, City Heights, Bacolod City
- Account Number 101880-9 for the City Heights Athletic Club Basketball Court, City Heights
- Account Number 127248-9 for Door No. 1 at Conchita Bldg., 13[th] Corner Aguinaldo Street, Bacolod City
- Account Number 131215-4 for Door No. 2 at Conchita Bldg., 13[th] Corner Aguinaldo Street, Bacolod City
- Account Number 49949-8 for Door No. 3 at Conchita Bldg., 13[th] Corner Aguinaldo Street, Bacolod City

The subject of the controversy is the electricity consumption of Account Number 131215-4 for Door No. 2 of plaintiff's Townhouse at 13[th] Aguinaldo Street, Bacolod City which was used as his law office and a portion of the first floor used for the computer business of his children which started on May 15, 2000 up to the present.

Plaintiff's electrical consumption for Door No. 2 from January to September 2000 were as follows:

Reading Period	Kilowatt Consumption Amount
Jan. 19 – Feb. 18, 2000	193 PhP760.00
Feb. 18 – Mar. 17, 2000	244 PhP983.96
Mar. 17 – Apr. 15, 2000	265 PhP1,069.72
Apr. 15 – May 16, 2000	305 PhP1,228.17
May 16 – June 15, 2000	322 PhP1,324.68
June 15 – July 17, 2000	315 PhP1,327.63
July 17 – Aug. 15, 2000	354 PhP1,535.68
Aug. 15 – Sept. 15, 2000	256 PhP1,137.56

On September 15, 2000, CENECO sent a certain Tonette de Misa to make an electrical reading at Door No. 2 of plaintiff's townhouse. Per reading, plaintiff's electrical consumption for Account No. 131215-4 was 4,432 kilowatts. Thus, his bill for September, 2000 was PhP 18,556.47.

Wretchedly shocked and astonished, plaintiff immediately filed a Complaint to then general manager of CENECO, defendant Christopher Rios through a letter of Protest[3] dated September 16, 2000. He declared that the reading results were improbable due to the following reasons:

- They were not residing at Door No. 2 of Conchita Building because they have their own residence at City Heights, Bacolod City;
- They stay at Door No. 2 only during office hours from 8:00 in the morning up to 6:00 in the evening and they have a noon break from 12:00 noon to 2:00 in the afternoon;
- The area is only approximately 60 square meters;
- For the last three (3) months, they only have an average monthly consumption of 330 kilowattss
- The sudden increase from 330 to 4,432 kilowatts is almost 135% increase.

In the said letter, plaintiff requested for an inspection on the electric meter of the said premises. Accordingly, CENECO, through its meter reader, conducted another reading for the period August 16 to September 15, 2000 which resulted to a consumption of only 256 kilowatts in the amount of PhP1,150.56. Plaintiff thereafter made a payment of such amount.

On September 29, 2000, CENECO, through its General Manager made a letter[4] response declaring that:

“Assessment of your connected loads was conducted to determine your probable monthly consumption. It was found out that your registered monthly consumption for 4 months from June to September 2000 is way below the consumption of your connected loads. Based on the interview of our electrical inspector with your representative, the computer gaming business started its operations sometime in the middle of May, 2000. This

factor attributed to the increase in your kwhr consumption.

A review of your billing history disclosed that your consumption for the months June to September, 2000 were undercharged. Listed below are your "As Billed" monthly billings based on reading as reflected in your electric bill and prorated monthly consumption covering the period from May 16 to September 15, 2000 based on the usage of your additional connected loads:

Billing Month Period

Covered No. of Days "As Billed" KwHr

Consumption Prorated Monthly

Consumption Undercharge KwHr

Consumption

June/2000 5/16 – 6/15 31 322 1378 1056

July/2000 6/15 – 7/17 29 315 1289 974

Aug/2000 7/17 – 8/15 32 354 1422 1068

Sept/2000 8/15 – 9/15 30 256 1334 1078

TOTAL 122 1247 5423 4176

We will be able to compute your average daily consumption of 44.45 kwhrs based on the actual reading from May 16 to September 15, 2000 with a total consumption of 5423 kwhrs divided by 122 days (total number of days covering the monthly reading period of 4 months). The prorated monthly consumption is based on your average daily consumption of 44.45 kwhrs multiplied by no. of days of the monthly reading period.

Furthermore, an inspection conducted on September 20, 2000 can confirm the validity of your actual consumption of 44.45 kwhrs per day. Findings showed that your consumption for 5 days from September 15 to September 20, 2000 is 242 kwhrs or a daily average consumption of 48.4 kwhrs based on the reading taken during the inspection which is 8996 less 8754 previous reading of the meter reader. This proved that the 44.45 kwhrs per day based on your prorated billing is your actual consumption.

Therefore, for a period of four (4) months, there is a shortage or undercharge of 4176 kwhrs. The matter would have been corrected if we cancelled your September 2000 bill which charged only 256 kwhrs, and instead issued the corrected billing of 4432 kwhrs.

However, since you paid the undercharged September bill on September 25, 2000, we have no recourse but to issue an additional bill for September, 2000 to recover the undercharged billing of 4176 kwhrs. Please find the attached electric bill.

Considering the above findings, the kwhr consumption as registered by your previous meter reflects the actual consumption of your connected loads. Your monthly billing of 4 months from June to September, 2000 could not be the basis for the true and actual consumption of your connected loads considering the number of appliances assessed by our inspector."

Unsatisfied of the foregoing explanation of CENECO's general manager thinking that such undercharging was purely baseless and unfounded; and asserting that CENECO's act of arbitrarily prorating his electrical consumption so as to collect the uncollected amount of PhP18,556.47 which he refused to pay is manifestly whimsical and capricious, plaintiff Mirano filed a Complaint[5] on October 3, 2000 before the Regional Trial Court, Branch 46 of Bacolod City.

By way of special and affirmative defense, defendant-appellant CENECO, in their Answer[6], asserted that on September 15, 2000 during the regular monthly reading conducted at Door No. 2 of plaintiff's townhouse, it was

verified that plaintiff's consumption reached to 4,432 kilowatt hours covering the period from August 15 to September 15, 2000. When the foregoing consumption data was encoded to CENECO's computer system, the data was not accepted resulting to an alleged error in plaintiff-appellee's billing. He was billed on the basis of his average consumption of the previous months, that is PhP1,137.56 for his consumption of 256 kilowatts.

CENECO was initially unaware of the discrepancy. Not until they received a complaint from plaintiff Mirano did they discover that plaintiff Mirano was undercharged. To address the problem, they immediately sent a representative to examine the meter reader of Door No. 2 of plaintiff's townhouse. The CENECO representative requested plaintiff to defer the payment of the electric bill in the amount of PhP1,137.56 as such did not reflect the actual energy consumed by the plaintiff. Despite such request, plaintiff nonetheless paid the bill on September 25, 2000 in the amount of PhP1,137.56.

Defendant CENECO claimed that the discrepancies in plaintiff's billing consumption at Door No. 2 started when he converted the same from an office to a computer gaming business sometime in May 2000. Besides, CENECO insisted that the response letter sent to plaintiff Mirano did not, in any way, cause harm or injury to him as it was merely an explanation of the discrepancy that they just recently discovered, and informing him that the actual energy consumption of his account is 4,432 kilowatts and not the one reflected in the electric bill which is 256 kilowatts. CENECO claimed that the billing and notice of disconnection sent to plaintiff was a mere notification of his actual electrical consumption and the corresponding bill that he owes to the cooperative. However, plaintiff interpreted such notification as a threat to disconnect CENECO's services to him. In fine, defendant CENECO pleaded for the dismissal of plaintiff's Complaint for lack of merit.

During the pre-trial conference, both parties failed to amicably settle the case. Hence, trial ensued.

After the presentation of the witnesses for the plaintiff, it formally offered[7] Exhibits "A" to "N", opposed[8] by the defendant, but were admitted by the trial court in an Order[9] dated January 26, 2007.

On the part of the defendant, the testimony of its sole witness, Torebio Casas, was stricken off the record, as prayed for by plaintiff Mirano because the witness himself and defendant's counsel failed to appear in the hearing for his cross examination.[10]

On February 21, 2011, the Regional Trial Court found that plaintiff Mirano was able to prove with clear and compelling evidence that he was unjustifiably overbilled by defendant CENECO and that the ensuing billing statement sent by defendant CENECO to the plaintiff showed a clear notice that a disconnection will be effected three (3) days from notice if the amount of PhP18,556.47 will not be paid.

Pained, defendant-appellant CENECO files the instant appeal assailing the following errors, to wit:

I.

THE LOWER COURT GRAVELY ERRED IN HOLDING THAT THE DEFENDANT-APPELLANT COMMITTED A BREACH OF CONTRACT IN VIEW OF ITS THREAT TO DISCONTINUE ITS SERVICES TO THE PLAINTIFF-APPELLEE;

II.

THE LOWER COURT GRAVELY ERRED IN RULING THAT DEFENDANT-APPELLANT SHOULD BE HELD LIABLE FOR ACTUAL DAMAGES AMOUNTING TO P18,556.47 WHEN AS A MATTER OF FACT, PLAINTIFF-APPELLEE HAS NEVER PAID SUCH AMOUNT TO THE DEFENDANT-APPELLANT;

III.

THE LOWER COURT ERRED IN HOLDING THAT DEFENDANT-APPELLANT WAS NEGLIGENT IN HANDLING THE ACCOUNT OF THE PLAINTIFF-APPELLEE WHEN THE TRUTH OF THE MATTER IS THAT PLAINTIFF-APPELLEE WAS INDEED LIABLE TO PAY THE AMOUNT OF P18,556.47 AS UNDERCHARGES FOR ELECTRIC CONSUMPTION WHICH WAS UNBILLED FOR THE PERIOD JUNE TO SEPTEMBER 2000.[11]

OUR RULING

The appeal is impressed with merit.

As the assailed errors are interrelated, We shall discuss them jointly.

Defendant-appellant CENECO claims that the trial court missed out the fact that the electric meter installed on the subject Door No. 2 of plaintiff's townhouse was established to be 100% accurate. With this, the 4,432 kilowatts reading of the CENECO employee should likewise be considered truthful and accurate. Thus, it was grave error for the trial court to order defendant-appellant CENECO liable for the amount of PhP18,556.47 in the form of actual damages for it is clear that such amount corresponds to the actual and correct reading of plaintiff's electric consumption for the period August to September, 2000. Therefore, it should be plaintiff-appellee Mirano who should be held liable for such amount, not defendant-appellant CENECO.

Moreover, contrary to the findings of the lower court, defendant-appellant CENECO was not negligent in handling the account of plaintiff-appellee as, upon discovery of the discrepancy of the latter's account, CENECO immediately took steps to address the problem. It directly sent its employee to inspect the electric meter of the subject premises. While it may be true that defendant-appellant CENECO committed an honest mistake in the preparation of electric bills, the fact remains that there was no willful injury committed upon the plaintiff-appellee. The Notice of Disconnection sent to him was manifestly made on the basis of the actual consumption for the subject period. Plus, the act of sending notices to its customers is part of the terms and conditions reflected in the Service Contract between the parties. Hence, defendant-appellee CENECO sent the Disconnection Notice purely as part of its regular procedure to all its customers.

Lastly, defendant-appellant CENECO insists that the award of moral and exemplary damages and attorney's fees were clearly bereft of any legal bases, therefore, should be deleted.

We rule in favor of defendant-appellant CENECO.

The action instituted by plaintiff Mirano is one for Injunction with Preliminary Injunction with Damages.

Injunction is a judicial writ, process or proceeding whereby a party is directed either to do a particular act, in which case it is called a mandatory injunction or to refrain from doing a particular act, in which case it is called a prohibitory injunction. As a main action, injunction seeks to permanently enjoin the defendant through a final injunction issued by the court and contained in the judgment.[12]

Rule 58 of the Rules of Court provides for both preliminary and permanent injunction. A preliminary injunction is defined in Section 1 thereof as:

"(A)n order granted at any stage of an action prior to the judgment or final order, requiring a party or a court, agency or a person to refrain from a particular act or acts."

On the other hand, Section 9 of the same rule defines a permanent injunction in this wise:

"x x x. If after the trial of the action it appears that the applicant is entitled to have the act or acts complained of permanently enjoined, the court shall grant a final injunction perpetually restraining the party or person enjoined from the commission or continuance of the act or acts or confirming the preliminary mandatory

injunction."

The main action for injunction is distinct from the provisional or ancillary remedy of preliminary injunction which cannot exist except only as part or an incident of an independent action or proceeding. As a matter of course, in an action for injunction, the auxiliary remedy of preliminary injunction, whether prohibitory or mandatory, may issue. Under the law, the main action for injunction seeks a judgment embodying a final injunction which is distinct from, and should not be confused with, the provisional remedy of preliminary injunction, the sole object of which is to preserve the status quo until the merits can be heard. A preliminary injunction is granted at any stage of an action or proceeding prior to the judgment or final order. It persists until it is dissolved or until the termination of the action without the court issuing a final injunction.[13]

Two (2) requisites must concur for injunction to issue: (1) there must be a right to be protected and (2) the acts against which the injunction is to be directed are violative of said right.[14]

In this case, the action filed by plaintiff-appellee is one which sought to stop defendant-appellant CENECO from disconnecting his account at Door No. 2 of his townhouse. He vehemently disputes CENECO's overcharging of his energy consumption on such account. He persists on his claim that defendant-appellant CENECO has no right to collect the amount of PhP18,556.47 as it was allegedly highly impossible for him to consume such amount of electricity. His average billing for the past months had only been within the usage of 330 kwhrs, and he insists that his actual consumption could not have such sudden increase. Accordingly, he demands for the payment of damages for the injuries caused by defendant-appellant CENECO upon him. As his action is one for Injunction, the primordial question for resolution therefore is whether or not plaintiff-appellee should be granted of the prayer for injunction and damages.

A thorough perusal of the foregoing arguments of plaintiff-appellee and a careful look on the records of this case would reveal that plaintiff-appellee cannot be entitled to a grant of injunction. He patently was not able to establish the existence of a clear legal right to be protected and the acts which would constitute the alleged violation of said right.

First, plaintiff-appellee Mirano miserably failed to establish his right to be protected from the disconnection of his account in CENECO. He has not proven his right to prevent defendant-appellant CENECO from disconnecting his account at Door No. 2 of his townhouse. It must be emphasized that plaintiff-appellee's right is essentially to be provided of the continuous services of the cooperative, which the latter had never deprived him of. In fact, during the entire duration of this case, defendant-appellant CENECO did not cut off their services on any of plaintiff-appellee's accounts. For this reason, plaintiff-appellee failed to prove the existence of a right which must be protected by this Court.

Second, nowhere in the records did it show that defendant-appellant CENECO committed any act which would constitute a violation of any right of plaintiff-appellee. Inasmuch as CENECO may have been sort of remiss on their duty to provide an accurate billing to plaintiff-appellee, this could not have caused that injury which constitutes as violative of the rights of plaintiff-appellee as CENECO never disconnected the electrical connections under plaintiff-appellee's accounts. In fact, CENECO simply provided plaintiff-appellee information on their oversight and inadvertence of undercharging the billing of plaintiff-appellee. Such notification, while it may appear to be outrageous and shocking to plaintiff-appellee, could not be considered as an injury on the latter's part as no overt act was committed by CENECO to violate any of his right.

Besides, even if there was a Notice of Disconnection on the billing for the month of September, 2000, such notice was plainly a reminder couched in general terms and applicable to all kinds of billings. As a matter of fact, a careful look at all the Billing Statements[15] for the months of January 2000 – September 2000 would reveal the

words “This serves as notice of disconnection THREE (3) days after due date”. Hence, such notice of disconnection could not constitute a threat, on the part of defendant-appellant CENECO, to disconnect its services to plaintiff-appellee Mirano. No threat to disconnect was imminent or forthcoming. Clearly, CENECO could not be held guilty of any act, imminent or otherwise, which could be construed as a violation of plaintiff-appellee’s right. Accordingly, the Court cannot grant plaintiff-appellee’s plea for a temporary injunction, much less a permanent one.

Moreover, assuming that such threat of disconnection would be imminent, defendant-appellant CENECO may have the right to disconnect their services of plaintiff-appellee’s account if it can be proven that the charge was reasonable and that plaintiff-appellee has not paid the amount due. In this case, while defendant-appellee CENECO has not clearly proven the veracity of the charge of PhP18,556.47 as the evidence for defendant-appellant CENECO was stricken off the record, it was nevertheless admitted by both parties and proven during trial that the electric meter installed at Door No. 2 of plaintiff-appellee’s townhouse was 100% accurate. In the same vein, it is reasonably probable that the charge of PhP18,556.47 was correct and truthful. Added to that, nowhere in the records was plaintiff-appellee able to prove that he has paid the charged amount of PhP18,556.47. That’s why, if indeed the charge was verified and reliable, CENECO may have had the right to disconnect its services to plaintiff-appellee considering that the latter has never paid the subject amount to CENECO.

All told, this Court rules that injunction cannot issue as a matter of course for failure to comply with the requisites for a grant of an Injunction – the clear and actual right that ought to be protected; and the act which is violative of such right. Consequently, the Court does not find any ground for the award of damages.

Under Articles 2199[16] and 2200[17] of the Civil Code, actual or compensatory damages are those awarded in satisfaction of, or in recompense for, loss or injury sustained. They proceed from a sense of natural justice and are designed to repair the wrong that has been done. There are two kinds of actual or compensatory damages one is the loss of what a person already possesses, and the other is the failure to receive as a benefit that which would have pertained to him.[18] The rule is long and well settled that there must be pleading and proof of actual damages suffered for the same to be recovered. In addition to the fact that the amount of loss must be capable of proof, it must also be actually proven with a reasonable degree of certainty, premised upon competent proof or the best evidence obtainable. The burden of proof of the damage suffered is, consequently, imposed on the party claiming the same who should adduce the best evidence available in support thereof.[19]

In the instant case, records revealed that plaintiff-appellee only paid the amount of PhP1,137.56[20], instead of the PhP18,556.47 imposed upon it by CENECO. Nowhere in the records did it reveal that plaintiff-appellee paid such sum of money. Accordingly, such award is manifestly not reasonable.

Moral damages are in the category of an award designed to compensate the claimant for actual injury suffered and not to impose a penalty on the wrongdoer. The person claiming moral damages must prove the existence of bad faith by clear and convincing evidence for the law always presumes good faith. It is not enough that one merely suffered sleepless nights, mental anguish, serious anxiety as the result of the actuations of the other party. Invariably such action must be shown to have been willfully done in bad faith or with ill motive. Mere allegations of besmirched reputation, embarrassment and sleepless nights are insufficient to warrant an award for moral damages. It must be shown that the proximate cause thereof was the unlawful act or omission of the defendant.[21] In the same fashion, to warrant the award of exemplary damages, the wrongful act must be accompanied by bad faith, and an award of damages would be allowed only if the guilty party acted in a wanton, fraudulent, reckless or malevolent manner.[22]

In the present case, contrary to the findings of the lower court, plaintiff-appellee failed to present the existence of

ill-will or bad faith on the part of defendant-appellee CENECO so as to warrant the grant of moral and exemplary damages. Hence, the reliefs sought by plaintiff-appellee desolately fail.

WHEREFORE, in view of the foregoing, the appeal is GRANTED. The assailed Decision of the Regional Trial Court, Branch 46 of Bacolod City promulgated on February 21, 2011 in Civil Case No. 00-11267 for Injunction with Preliminary Injunction with Damages is hereby REVERSED and SET ASIDE. The Complaint filed by plaintiff-appellee William N. Mirano is DISMISSED for lack of merit.

SO ORDERED.

Ingles, G.T., Chairperson, and Lagura-Yap, M.B., JJ., concur.

[1] Penned by Judge George S. Patriarca, Rollo, pp. 46-60; Record, pp. 399-413

[2] Id, p. 60; p. 413

[3] Exhibit “G”, Record, pp. 286-287

[4] Exhibit “I”, Id, pp.290-291

[5] Id, pp. 1-13 which was Amended on October 16, 2000, Id, pp. 39-52

[6] Id, pp. 65-75

[7] Formal Offer of Exhibits, Id, pp. 247-261

[8] Comment and/or Reply to Plaintiff’s Offer of Exhibits, Id, pp. 309-310

[9] Id, p. 311

[10] Order dated March 22, 2010, Id, p. 355

[11] Rollo, p. 34

[12] Philippine Economic Zone Authority vs. Carantes, et. al., G.R. No. 181274, June 23, 2010

[13] Bacolod City Water District vs. Hon. Labayen, G.R. No. 157494, December 10, 2004

[14] Philippine Economic Zone Authority vs. Carantes, et. al., G.R. No. 181274, June 23, 2010 citing City Government of Baguio City v. Masweng, G.R. No. 180206, February 4, 2009

[15] Record, pp. 274-285

[16] Art. 2199. Except as provided by law or by stipulation, one is entitled to an adequate compensation only for such pecuniary loss suffered by him as he has duly proved. Such compensation is referred to as actual or compensatory damages.

[17] Art. 2200. Indemnification for damages shall comprehend not only the value of the loss suffered, but also that of the profits which the obligee failed to obtain.

[18] Producers Bank of the Philippines vs. Court of Appeals, et. al., G.R. No. 111584, September 17, 2001

[19] Oceaneering Contractors (Phils) Inc. vs. Baretto, G.R. No. 184215, February 9, 2011

[20] Exhibit “H-2”, Official Bill Receipt dated September 25, 2000, Record, p. 288

[21] Francisco vs. Ferrer, et. al., G.R. No. 142029, February 28, 2001

[22] Id

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.