

MOISES TINIO, JR. AND FRANCIS TINIO, PETITIONERS, VS. NATIONAL POWER CORPORATION, RESPONDENT.*G.R. No. 160923. January 24, 2011*

Ponente: PERALTA, J.

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Before the Court are two consolidated petitions for review on certiorari under Rule 45 of the Rules of Court both seeking the reversal and setting aside of the Decision[1] of the Court of Appeals (CA) in CA-G.R. CV No. 70252, dated November 19, 2003. The assailed CA Decision modified the Resolution[2] dated January 22, 2001, of the Regional Trial Court (RTC) of Urdaneta, Pangasinan, Branch 48 in Civil Case No. U-6938.

The pertinent factual and procedural antecedents of the case are as follows:

The National Power Corporation (NPC) is a government-owned and controlled corporation created and existing by virtue of Republic Act No. 6395,[3] as amended by Presidential Decree No. 938. The main purpose of the NPC, as stated in its charter, is to undertake the development of hydroelectric generation of power and the production of electricity from nuclear, geothermal and other sources, as well as the transmission of electric power on a nationwide basis. In order to accomplish its objectives, the NPC is granted the power, among others, to exercise the right of eminent domain.

For purposes of constructing and maintaining its San Roque Multi-Purpose Project, which is one of the major undertakings of the government for North Luzon, the NPC filed on October 13, 1999 a complaint for eminent domain with the RTC of Urdaneta, Pangasinan against Moises Tinio, Jr. and Francis Tinio (hereafter collectively referred to as the Tinios) for the purpose of expropriating a parcel of land owned by the Tinios. The subject property, consisting of 52,710 square meters, denominated as Lot 14556-A and covered by Transfer Certificate of Title (TCT) No. T-5775, is located at Barangay San Roque, San Manuel, Pangasinan.

Prior to filing its complaint, the NPC took possession of the subject land on February 9, 1998 by virtue of a Permit to Enter signed by Moises.

During the pre-trial conference, one of the stipulations proposed by the NPC and admitted by the Tinios is the authority of the NPC to expropriate the subject lot. Thus, the parties agreed that the only issue left for determination by the trial court is the just compensation to be paid to the Tinios.

Commissioners were then appointed to appraise the value of the subject property and, thereafter, to make a recommendation to the RTC. Subsequently, the commissioners made separate reports and recommendations.

On January 22, 2001, the trial court issued a Resolution disposing of the case as follows:

WHEREFORE, PREMISES CONSIDERED, the Court hereby orders the National Power Corporation to pay defendants Moises Tinio, Jr. and Francis Tinio the amount of P12,850,400.00, plus legal interest until fully paid as just compensation for Lot No. 14556 under TCT No. T-5775 with a total area of 52,710 sq.m.

Costs against the plaintiff.

SO ORDERED.[4]

NPC filed a Motion for Reconsideration,[5] but the same was denied by the RTC in an Order[6] dated February 20, 2001.

Thereafter, the NPC appealed the January 22, 2001 Resolution and February 20, 2001 Order of the RTC with the CA.

On November 19, 2003, the CA rendered its presently assailed Decision, with the following dispositive portion:

In view of the Foregoing, the resolution appealed from is MODIFIED, in that the NPC is ordered to pay the defendants as just compensation for the land taken from them, the amount of P2,343,900 with legal interest of 6 percent [per] annum from February 9, 1998 until paid.

SO ORDERED.[7]

Feeling aggrieved, both the NPC and the Tinios are now before this Court arguing that the CA committed error in its judgment.

Praying that the judgment of the RTC be reinstated, the Tinios contend that the CA erred in affirming the findings of the RTC that the NPC took possession of, or entered upon, the subject property on February 9, 1998.

They also argue that the CA erred in arriving at a lower amount of just compensation than that arrived at by the RTC on the ground that before the NPC made improvements on the subject property, the same was already classified as industrial or commercial land. The Tinios claim that in 1997, the NPC declared its properties in Barangay San Roque, San Manuel, Pangasinan, as commercial lands with a value of P250.00 per square meter. They aver that the subject lot is within the vicinity of the NPC properties. As such, any increase in the value of the NPC properties should also redound to the benefit of the lands which are located within the same locality.

On its part, the NPC's main asseveration is that the CA erred in relying on the present state and character of the subject land as commercial in determining just compensation. It prayed for the reduction of the just compensation awarded by the CA.

The issues raised by the parties boil down to the question of whether the CA was correct in its determination of just compensation as based on its findings on the time of taking of the subject property and the nature and character of the subject property at the time of such taking.

The Court finds no error in the assailed Decision of the CA.

With respect to the time of the taking of the subject property, the findings of fact of the CA and the RTC with respect to this issue shall no longer be disturbed. It is axiomatic that this Court will not review, much less reverse, the factual findings of the CA, especially where, as in this case, such findings coincide with those of the trial court and that these findings are supported by sufficient evidence. Both the RTC and the CA are one in finding that the NPC took possession of the subject lot on February 9, 1998 as evidenced by a Permit to Enter Land/Property[8] signed by Moises on even date. While the Tinios aver that Moises was deceived into signing the said permit, no evidence was presented to prove this allegation.

As to the nature and character of the subject lot at the time of its taking, the Court takes exception to the contention of the NPC that the CA determined the value of just compensation on the basis of the subject lot's classification as industrial.

A perusal of the disputed decision of the CA would clearly show that the appellate court's determination of just compensation is based on its finding that 12,710 square meters of the subject property was considered residential and that the remaining 40,000 square meter portion thereof was classified as agricultural land at the time of taking of the said lot. This finding is based on a certification dated March 10, 1998 issued by the Municipal Assessor of San Manuel, Pangasinan, attesting to the fact that the disputed property was indeed partly residential and largely agricultural prior to its possession by the NPC. In this respect, the Court agrees with the following findings of the CA:

x x x The four government offices which gave their contemporaneous findings at the time were one in saying that of the total area of 5.2 hectares, 4 were for agricultural use. About 1.2 hectares had been traversed by the hydro highway, and an area of this size was specifically determined by the municipal assessor to be residential in character. x x x[9]

In fact, an examination of the evidence on record, to wit: a subsequent certification issued by the Municipal Assessor, dated August 11, 1998, and the Tinios' Tax Declaration for 1999, would show that the subject lot was classified as industrial only after six months upon the NPC's entry into and development of the said land.

It is settled that the nature and character of the land at the time of its taking is the principal criterion for determining how much just compensation should be given to the landowner.[10]

Hence, the argument of the Tinios that the subject property should benefit from the subsequent classification of its adjoining properties as industrial lands is, likewise, untenable. The Court, in a number of cases,[11] has enunciated the principle that it would be injustice on the part of the expropriator where the owner would be given undue incremental advantages arising from the use to which the government devotes the property expropriated.

In the instant case, it cannot be denied that prior to the NPC's introduction of improvements in the area where the subject parcel of land is located, the properties therein, including the disputed lot, remained agricultural and residential. It was only upon entry of the NPC in Barangay San Roque, and after constructing buildings and other facilities and bringing in various equipment for its multi-purpose project, that the lands in the said locality were later classified as commercial or industrial.

Stated differently, to allow the Tinios to ask compensation on the basis of the subsequent classification of the contested lot as industrial would be to allow them to recover more than the value of the land at the time when it was taken, which is the true measure of the damages or just compensation.

WHEREFORE, the petitions are DENIED. The Decision of the Court of Appeals, dated November 19, 2003, in CA-G.R. CV No. 70252, is AFFIRMED.

SO ORDERED.

Carpio, (Chairperson), Nachura, Abad, and Mendoza, JJ., concur.

[1] Penned by Associate Justice Mario L. Guariña III, with Associate Justices Martin S. Villarama, Jr. (now a member of this Court) and Jose C. Reyes, Jr., concurring; rollo (G.R. No. 160923), pp. 11-21; rollo (G.R. No. 161093), pp. 24-34.

[2] Records, pp. 234-237.

[3] An Act Revising the Charter of the National Power Corporation.

[4] Records, p. 237.

[5] Id. at 243-248.

[6] Id. at 255.

[7] Rollo (G.R. No. 160923), p. 21.

[8] Records, p. 188.

[9] Rollo (G.R. No. 160923), p. 19.

[10] National Power Corporation v. Tiangco, G.R. No. 170846, February 6, 2007, 514 SCRA 674, 685.

[11] National Power Corporation v. Ibrahim, G.R. No. 168732, June 29, 2007, 526 SCRA 149, 167 ; National Power Corporation v. Court of Appeals, G.R. No. 113194, March 11, 1996, 254 SCRA 577, 589, citing Provincial Government of Rizal v. Caro de Araullo, August 16, 1933, 58 Phil. 308, 316. (1993).

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