

**MANILA ELECTRIC COMPANY, PETITIONER, VS. VICENTE DE VERA,
COMMISSIONER OF PUBLIC SERVICE, RESPONDENT. RADIO
THEATER INC., ET AL., INTERVENORS.***G.R. No. 46001. September 12, 1938*

Ponente: LAUREL, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-46001/>**LAUREL, J.:**

Case No. 46482 of the Public Service Commission was initiated before that body upon formal complaint filed by Dr. Pedro Gil, Assemblyman from the Second District of Manila, with a view to reduction of electrical rates of the Manila Electric Company for residential service within the City of Manila and its suburbs. Case No. 47991, of the same commission, refers to an application by the Manila Electric Company for the cancellation of what is therein referred to as general rate schedule No. 1 and rate schedule (alternative) No. 1, and the temporary approval of the revised general rate schedule No. 1 and optional power rate (alternative). In view of the intimate relationship of these two cases, the same were set for joint hearing on January 15, 1937 against the objection of the Manila Electric Company based on the ground that, with respect to case No. 46482, the commission no longer had jurisdiction because of the order of dismissal of September 26, 1936 which had already become final. The commission, however, proceeded and ruled in open court as follows:

"Primero, que esta Comision procedera en este asunto bajo el articulo 17-(a) de la Ley No. 146 de la Mancomunidad; por tanto, la alegacion de que la reapertura del Expediente No. 46482 es debida a una reconsideracion no esta fundada. La Comision, bajo el articulo citado y en vista de la queja presentada por el Diputado Gil, puede actuar sin previa vista en este asunto; pero la Comision oira todas las pruebas que ambas partes quisieran presentar."

Various hearings were held and following the suggestion of the respondent commissioner, petitioner submitted amended schedules of rates transcribed on pages 7 to 13 of the decision of the Public Service Commission, incorporated as Appendix A of the brief of the petitioner. Proposals and counter-proposals were made by and between the petitioner and the respondent judge and, on November 11, 1937, petitioner finally submitted revised amended schedules of rates inserted on pages 20 to 27 of the decision of the respondent judge, incorporated as Appendix A of the petitioner's brief. For purposes material to this case, petitioner's revised amended rates for residential service were classified into four groups, schedules A, B, C and D, as follows:

Class D
Rate 0-49 sq.m
gross

Class C
50-66 sq.m.
gross

Class B

67-88 sq.m.

gross

Class A

Over 88 sq.m.

P.20 first 9 kwh

.10 next 6 kwh

.05 all over 15 kwh

Minimum charge, P1.00

First 15 kwh

Next 15 kwh

All over 30 kwh

P1.50 First 19 kwh

Next 26 kwh

All over 45 kwh

P2.00 First 23 kwh

Next 47 kwh

All over 70 kwh P2.00

The foregoing revised amended schedules of rates, submitted by petitioner on November 11, 1937, were modified by the respondent commissioner by reducing the minimum charges on schedules A, B, C and D from P2.00, P2, P1.50 and P1 to P2, P1.50, P1 and P0.50, respectively, approving however such revised amended schedules of rates in other respects. Petitioner did not agree and moved for reconsideration, which motion was denied. Hence these proceedings for review of the respondent commissioner's decision.

Petitioner in its brief makes the following assignments of error:

"I. The respondent judge erred in taking into consideration when he rendered his decision a report of the auditor of the Public Service Commission which was not presented in evidence at the hearing and of which petitioner had no knowledge.

"II. The respondent judge erred in making reference in his decision to a memorandum prepared by the Accounting Division of the Public Service Commission on the average profit obtained by petitioner during the years 1926 to 1936, which memorandum was not presented in evidence at the hearing and of which petitioner had no knowledge.

"III. The respondent judge erred in fixing a minimum charge of P1.50, instead of P2, including 7 kilowatt hours, for residential service, schedule B; a minimum charge of P1, instead of P1.50, including 5 kilowatt hours, for residential service, schedule C; and a minimum charge of P0.50, instead of P1, including 2 kilowatt hours, for residential service, schedule D, there being no evidence to justify the minimum charges fixed by the respondent judge.

"IV. The respondent judge erred in holding that in the year 1936 petitioner made a net profit of 12.27% on its business operations.

"V. The respondent judge erred in overruling petitioner's motion for a reconsideration of his decision."

Petitioner, however, in the oral argument of its counsel, pressed only the third assignment and then only with reference to the reduction to 50 centavos under schedule D.

The report and memorandum referred to in the first and second assignments of error form part of the official records of the Public Service Commission. The commission took notice of them and properly considered them

without any need of their being presented as evidence (Manila Yellow Taxicab & Aero Taxicab Co. vs. Danon, 58 Phil., 75; Manila Electric Co. vs. Balagtas, 58 Phil., 429; Manila Yellow Taxicab Co. vs. Araullo, 60 Phil., 833; and Sambrano vs. Northern Luzon Transportation Co., 35 Off. Gaz., 2271). Upon the other hand, it should be observed that the investigation was conducted by the Public Service Commission under paragraph (a), section 17, Commonwealth Act No. 146, under which the commission has power "to investigate, upon its own initiative, or upon complaint in writing, any matter concerning any public service as regards matters under its jurisdiction." The first and second assignments of error are overruled.

The third assignment of error refers to the reduction of minimum charges in schedules B, C and D as hereinabove indicated, whereas the fourth assignment of error deals with a question of fact regarding the percentage of net profit made by the petitioner in the year 1936. We have examined the evidence taken in this connection, and we cannot say that the findings of the commission are not reasonably supported by the evidence presented in this case, especially if it is considered that the petitioner's computation of its profits for 1936 is based on the operation in that year of its electrical department alone. There is a legal presumption that the rates fixed here are reasonable, and we cannot say that the Public Service Commission, in fixing those rates, abused its discretion. (Ynchausti Steamship Co. vs. Public Utility Commissioner and Board of Appeal. 42 Phil., 621, 624.) The third and fourth assignments of error are also overruled.

The fifth assignment of error need not be considered.

After the filing of the present petition for review in this court, Dr. Pedro Gil, represented by Attorneys Duran and Lim, the Radio Theater, Inc. and other commercial and industrial entities, represented by Attorney Jacobo Gonzales, moved to intervene for the protection of their rights and interests affected by the action of the Public Service Commission. The petitioner objected, but this court by resolution of May 5, 1938, granted the motion. Dr. Pedro Gil and Radio Theater, Inc., et al. filed separate briefs.

Intervenors Radio Theater, Inc., et al. seek modification of the decision of the Public Service Commission "in such a way that the blocking of electrical consumption in schedules A, B, C and D be abolished, and in lieu thereof a straight residential rate embodying a reduction of 46.25% be determined and fixed and that the electrical bill of commercial and industrial consumers be reduced by 46.25 per cent." The contention of these intervenors appears to be predicated on the report submitted by a representative of the General Auditing Office (Exh. Gil-1, p. xxxvi; brief for Radio Theater, Inc., et al. p. 12). The Public Service Commission has not made any finding or conclusion on the points contained in the report and brought to its attention and for the reasons stated hereinbelow with reference to the intervention of Dr. Pedro Gil, we refrain from making any pronouncement on matters not touched upon by the commission in its decision and not here made the object of any specific assignment of error.

Intervenor Gil objects to the amended schedule of rates as approved by the respondent commission on the ground that the same are "unjust; unreasonable, unjustly discriminatory and unduly preferential" and prays in his brief that the decision of the Public Service Commission be amended by eliminating what he terms the "block charges" contained in the residential service schedules A, B, C and D, adopting in their stead a flat rate of P0.50 per k.w.h. used during the month, but maintaining the minimum charges therein stated of P2, P1.50, P1 and P0.50, respectively. In urging for this amendment, a great deal of information is brought to our attention concerning the organization of the Manila Electric Company, the franchises granted, the merger effected and the alleged clever corporation scheme and financing used to hide inflations and conceal its net gains, and calls attention to the authority of this court under section 35 of Commonwealth Act No. 146 to review and modify the decision of the Public Service Commission or even set it aside, if upon examination of the whole record such action is deemed warranted. We are of the opinion, however, that as to this variety of informative matters most of which are embodied in the report on the audit and examination of the books and accounts of the petitioner (Exh. Gil—1) we

should refrain from making any pronouncement. It is true that this report (Exh. Gil—1) is part of the record elevated to us in this case. There are implications of serious character drawn in this report and we note that the commission makes no reference to them in its decision. We feel that we are not in a better position to go farther. Upon the other hand, from intervenor's own brief it appears that the legislative department has taken a hand in this matter. It would not be fair to the Government, the general public and the petitioner, if we were to grant the prayer of the intervenor under these circumstances. Prudence on our part and fairness to all concerned demand that we make no other pronouncement at this time than to affirm, as we do hereby affirm, the decision of the Public Service Commission, with costs against the petitioner. With the dismissal of the present petition for review, the preliminary injunction issued by this court on February 18, 1938, is dissolved. So ordered.

Avanceña, C. J., Villa-Real, Abad Santos, Imperial, Diaz, and Concepcion, JJ., concur.

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.