



# Republic of the Philippines Supreme Court Manila

## FIRST DIVISION

### NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated February 11, 2015, which reads as follows:

"G.R. No. 165714 - MANILA PAPER MILLS, INC., Petitioner, v. MANILA ELECTRIC COMPANY, Respondent.

This is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision<sup>1</sup> dated April 27, 2004 and Resolution<sup>2</sup> dated October 19, 2004 of the Court of Appeals in CA-G.R. CV No. 74998.

Respondent Manila Electric Company (MERALCO) and petitioner Manila Paper Mills, Inc. (MPM), a paper manufacturing company, entered into a Service Contract dated June 2, 1969, wherein MERALCO undertook to supply electric power to MPM.

On November 9, 1987, representatives of MERALCO led by Engineer Virgilio Talusan performed an unscheduled inspection of MPM's electric meter installed within its compound in Sangandaan, Novaliches, Quezon City. MERALCO's inspectors allegedly discovered that MPM's meter installation was defective as certain current leads had pricked holes and meter seals were found broken. The results of the inspection were summarized in a service inspection report dated November 9, 1987, to wit:

- over - fifteen (15) pages .....

Rollo, pp. 61-72; penned by Associate Justice Fernanda Lampas Peralta with Associate Justices Salvador J. Valdez, Jr. and Rebecca de Guia-Salvador, concurring.
 Id. at 74-86.

#### FINDINGS:

CTS & PTS w/out seals. Other seals intact. Main meter disc forward for all tests w/ loads on.

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Further inspection showed that customer was shorting CTS by means of removable shorting device as indicated by bare portions (insulations deliberately removed) on all secondary leads inside tee-elbows of CTS and PTS. Furthermore, two (2) bored holes were found approx. six (6) feet above the ARMC wherein the secondary current leads directly underneath were found to be pricked holes. (Pls see sketch & evidences taken)

Inspection done/meters, RD chart, all secondary leads & metering conduits removed in the absence of Mr. Vic Pascual, maintenance, with the consent of Mr. Antonio Evalle, Supervisor.

NOTE: BCTS were left shunted at BCT terminals.3

MERALCO's inspectors removed the defective meters and took them for laboratory testing. The polyphase meter test report dated November 17, 1987 stated:

- 1. The CTs and PTS were without seals.
- 2. The metering installation was being tampered by shorting the CTs on all secondary leads by using a removable short circuiting device as indicated by the bare portions on all secondary current leads inside the tee-elbows of the CTs and PTS. The CTs was being shorted by using a short circuiting device as indicated by pricked holes on all secondary current leads through the bored holes on the conduit run. (Pls. refer [to] attached sketch.) Under this condition, the meter had been registering less than the actual energy (kwhrs) and kw demand used by the customer. Power factor was also affected.<sup>4</sup> (Emphases supplied.)

In a letter dated November 20, 1987, MERALCO informed MPM that its meter installation was defective and/or had been tampered; thus, said meter failed to register the actual and full electrical consumption of MPM's business. MERALCO demanded payment of ₱192,620,559.32, corresponding allegedly to the amount of electricity actually consumed by MPM but not registered in its metering facility.

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Despite several attempts, MERALCO and MPM failed to reach a settlement on the issue. On January 14, 1988, MERALCO sent a letter warning MPM that unless the differential bill was settled, MPM's supply of electric power would be discontinued.

To avert MERALCO's severance of its power supply, MPM filed a complaint for injunction with application for temporary restraining order and/or writ of preliminary and prohibitory injunction, docketed as Civil Case No. 55500, with the Regional Trial Court (RTC) of Pasig City, alleging that it would suffer irreparable damage and injury in the event that MERALCO proceed with the threatened disconnection and its manufacturing and business operations would be unduly hindered. The complaint was raffled to Branch 167, which, on January 21, 1988, issued a temporary restraining order enjoining MERALCO from disconnecting its supply of electric power to MPM.

In its Answer, MERALCO denied that it made any internal or external adjustments or manipulations on MPM's metering devices. MERALCO furthermore pointed out that under the Service Contract, MERALCO was authorized to discontinue its services to MPM if the latter failed to pay any of the bills or to comply with any of the terms of the agreement. The Service Contract furthermore specified that should MERALCO's meters fail, for any reason, to register MPM's full consumption of electricity, MERALCO was authorized to demand payment of unrecorded consumption, based on the customer's average use of electricity during a similar period.

On February 10, 1988, RTC-Branch 167 issued an Order granting MPM's application for issuance of a writ of preliminary prohibitory injunction, upon posting of a bond in the amount of \$\mathbb{P}\$5,000,000.00. MERALCO's motion for reconsideration of the aforesaid Order was denied in an Order dated March 7, 1988.

On February 29, 1988, MPM filed another complaint in the RTC for injunction with application for temporary restraining order and writ of preliminary injunction, docketed as Civil Case No. 55636. This second complaint, which was raffled to Branch 158, concerns MERALCO's letter dated February 23, 1988 further assessing MPM differential billings in the amount of \$\mathbb{P}13,437,418.01\$. The second differential bill was made after a meter inspection on February 17, 1988 when MERALCO discovered another instance of tampering of the metering installation, which caused the meter to register less than the actual energy used by MPM.

On February 29, 1988, RTC-Branch 158 issued an Order granting the prayer for a temporary restraining order in the second complaint, and referred Civil Case No. 55636 for consolidation with Civil Case No. 55500. After a hearing, RTC-Branch 158 issued an Order dated March 16, 1988 granting MPM's application for preliminary injunction upon the filing of a bond in the amount of ₽1,000,000.00.

On January 21, 1991, RTC-Branch 167 issued an Order allowing the consolidation of Civil Cases Nos. 55500 and 55636 upon finding that there was a common question of law and facts in the said cases.

MERALCO filed an Amended Answer dated March 5, 1991, with compulsory counterclaim. In the counterclaim, MERALCO demanded payment of \$\frac{1}{2}\$192,620,559.32, representing the total value of MPM's unregistered electricity consumption.

On January 31, 2002, RTC-Branch 167 rendered a Joint Decision dismissing MPM's two complaints for injunction. The dispositive portion of the Joint Decision states:

WHEREFORE, judgment is hereby rendered in favor of the defendant Manila Electric Company (Meralco) and against the plaintiff Manila Paper Mills, Inc., ordering the latter to pay the former the following sums, namely:

- 1) Php 96,310,279.66, in addition to the payment of 6% interest per annum from the filing of the answer with counterclaim in Civil Case No. 55500 until it is fully paid;
- 2) Php 6,718,709.005 plus 6% interest per annum from the filing of the answer with counterclaim in Civil Case No. 55636 until it is fully paid;
- 3) 10% of the principal obligation, as and for reasonable attorney's fees; and
  - 4) Costs of suit.

For lack of sufficient factual and legal basis, the complaints against the defendant Meralco is hereby, as it should be, DISMISSED.<sup>5</sup>

The trial court found that the meters of MPM were not recording the correct power consumption based on the following observations:

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<sup>&</sup>lt;sup>5</sup> Rollo, pp. 188-189.

First, Rule 131, par. (j) of the New Rules of Civil Procedure provides that a person found in possession of a thing taken in the doing of a recent wrongful act is the taker and the doer of the whole act. This disputable presumption cannot be sufficiently overcome by the fact that no shorting device was found on MPMI's metering installations or that none of the secondary lead wires found inside the conduit pipe have more than one prick hole, as there exists another evidence of tampering on the tee-elbow and that there was no any incident of forcible entry reported at plaintiff's premises during the affected period, considering that access to the place where the tampering occurred was under the absolute control of the plaintiff.

Second, the allegation that Meralco has the perfect motive to tamper the evidence is highly speculative, absent any positive indication that the involved Meralco personnel who conducted the inspection and test on the metering installation of MPMI were in fact instructed by the former and/or connived with each other to provide the same observations This is so, considering that from the tenor of Efren Arcaya's testimony that Mr. Ty after becoming a minority stockholder of Associated Bank, was being compelled by both Ramon T. Garcia and Jesus Estanislao in 1986 to sell the assets of Associated Bank wherein the latter was president. During which, the equity of the Development Bank of the Philippines in Associated Bank was already turned over to the Assets Privatization Trust headed by the former as Chief Trustee who at the same time was also Board of Directors of both Meralco and Associated Bank. And in 1986 or 1987, when Mr. Ty filed a case against the latter two, the alleged differential billings thereafter came into being. Notwithstanding, the connection between the selling and of being the Chairman of the Board of Directors of Meralco by Ramon T. Garcia remains a puzzle to the Court as the said differential billings were not yet an issue at the time and hence, the latter could be acting in behalf of no other than the Development Bank of the Philippines and not of Meralco.

Third, Horacio M. Dimatata's expert analysis that rain water could have gone thru the bored holes on the conduit pipe and damage the meters is unavailing, as against the positive testimony of Virgilio Talusan that the conduit pipe ends not on the ARMC but to an elbow located at about 1 ½ feet below the meters which in turn was the one connected to the ARMC, and that there is no necessity to take out the insulation of the wires inside the tee-elbow because the testing was [routinely] done at the test plug located inside the metering cabinet. This is so considering that the former did not even see the original connection of the conduit pipe to the ARMC and the installations inside before the same was transferred outside the premises of MPMI. In other words, his finding or opinion regarding the said draining of water on the meters and the testing on the tee-elbow was not based on actual investigation or personal knowledge.

Fourth, even before 09 November 1987, MPMI have previously been apprehended for three (3) times of tampering, to wit: (1) 1982-VOC

Case No. 351-82-05-634; (2) 1983-VOC Case No. 351-83-02-183; and (3) 1984-VOC Case No. 351-84-05-0782. Likewise, the graph of the annual metered kilowatthour consumption vis-a-vis the annual sales of MPMI divulges that from 1984 to 1987, as the sale slightly increased and decreased, the metered kilowatthour consumption abruptly went downward. Then in 1988, the kilowatthour consumption amazingly raised up to 48 million with a difference of only 15 million increase in the sales. Such disparity can also be seen in 1982 to 1984. Therefore, in the absence of a more convincing proof, aside from the testimony of Julian Tecson that their company implemented a streamlining, rehabilitation, modernization, expansion and energy conservation programs from 1984 to 1989, as seen on the latter's Memorandum which was prepared only in 1992, the enumerated inconsistencies are overwhelming enough to indicate that since 1984, the meters of MPMI were not recording the correct power consumption.

Notwithstanding its finding that indeed MERALCO was entitled to payment of differential billings, the trial court opined that MERALCO's actual loss could not be computed with mathematical certainty from the evidence on record. For this reason, the trial court awarded temperate damages<sup>7</sup> computed at fifty percent (50%) of MERALCO's claims.

MPM elevated the matter to the Court of Appeals, where it was docketed as CA-G.R. CV No. 74998 and raffled to the Eleventh Division. On April 27, 2004, the Court of Appeals rendered the assailed Decision which affirmed the dismissal of the consolidated cases by the RTC for lack of merit. The Court of Appeals held that MERALCO presented preponderant evidence showing that MPM had been consuming electricity more than what was registered in its electric meters beginning 1984 to 1987, due to tampered meter installation, thus giving MERALCO the right to collect the differential amount representing the value of the electricity consumed but unaccounted for.

MPM filed a motion for reconsideration and a motion for the voluntary inhibition of the Former Eleventh Division of the Court of Appeals for allegedly having acted with undue haste in deciding the appeal without scrutinizing the "voluminous records" of the case.

On October 19, 2004, the Court of Appeals, acting on the two motions of MPM, rendered the assailed Resolution, the dispositive portion of which reads:

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<sup>6</sup> Id. at 186-187.

The trial court cited Article 2224 of the Civil Code which provides:

Article 2224. Temperate or moderate damages, which are more than nominal but less than compensatory damages, may be recovered when the court finds that some pecuniary loss has been suffered but its amount can not, from the nature of the case, be proved with certainty.

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WHEREFORE, appellant's motion for inhibition and motion for reconsideration are both denied for lack of merit. The Court affirms its Decision dated April 27, 2004, subject to the modification that appellant shall pay appellee legal interest of 12% per annum as follows: (a) in Civil Case No. 55500, PhP96,310,279.66 plus 12% interest per annum from finality of judgment until full payment; and, (b) in Civil Case No. 55636, PhP6,718,709.05 plus 12% interest per annum from finality of judgment until full payment.<sup>8</sup>

MPM filed the present Petition, grounded on the following arguments:

I. THERE WAS ABSOLUTELY NO EVIDENTIARY BASIS FOR HOLDING THAT PETITIONER MPM TAMPERED WITH THE ELECTRIC METERING DEVICES OF MERALCO. ON THE CONTRARY, THE EVIDENCE CLEARLY SHOWS THAT NO SUCH TAMPERING COULD HAVE BEEN DONE BY MPM.

II. THE TRIAL COURT AND THE COURT OF APPEALS MISAPPLIED ARTICLE 2224 OF THE CIVIL CODE IN AWARDING TEMPERATE DAMAGES TO MERALCO. THE COURT A QUO CANNOT GRANT MERALCO TEMPERATE DAMAGES BECAUSE MERALCO SIMPLY FAILED TO PROVE THE ACTUAL DAMAGES IT ALLEGEDLY SUSTAINED.9

This Court has, time and again, held that factual findings of trial courts, especially when affirmed by the Court of Appeals, as in this case, are binding on us. The task for this Court is therefore to determine whether the case at bar falls under any of the exceptions established by the Rules of Court and jurisprudence, such as (1) when the findings of a trial court are grounded entirely on speculation, surmises or conjectures; (2) when a lower court's inference from its factual findings is manifestly mistaken, absurd or impossible; (3) when there is grave abuse of discretion in the appreciation of facts; (4) when the findings of the appellate court go beyond the issues of the case, run contrary to the admissions of the parties to the case, or fail to notice certain relevant facts which, if properly considered, will justify a different conclusion; (5) when there is a misappreciation of facts; and (6) when the findings of fact are conclusions without mention of the specific evidence on which they are based, are premised on the absence of evidence, or are contradicted by evidence on record. 10

In asserting that it is not liable for the differential billings, MPM tries to impress upon this Court that MERALCO failed to prove that MPM

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<sup>&</sup>lt;sup>8</sup> Rollo, pp. 85-86.

<sup>&</sup>lt;sup>9</sup> Id. at 21-22.

Philippine Rabbit Bus Lines, Inc. v. Macalinao, 491 Phil. 249, 255-256 (2005).

tampered with the latter's meter and metering facilities. MPM stresses that MERALCO has not presented any shorting or short circuiting device to prove the same.

The differential billings, however, are based on the Service Contract between MPM and MERALCO, which does not require that tampering by MPM itself be proven:

In the event of stoppage of, or the failure of any meter to register the full amount of current consumed, the Customer will be billed for such period on an estimated consumption based upon his use of current in a similar period of like use.<sup>11</sup>

MERALCO presented MPM's billing records, showing the drastic decrease in consumption from 1984 to 1987, the years of the alleged tampering. This is despite the steady increase of sales by MPM during said period:

YEAR	ANNUAL SALES (in million pesos)	METERED CONSUMPTION
		(in million kWh)
1982	150	47
1983	212	43
1984	403	28
1985	374	10
1986	343	8
1987	387	11
1988	402	48
1989	478	63
1990	560	6212

MPM claims that the decrease in consumption was a result of streamlining, rehabilitation, modernization, expansion, and energy conservation program it adopted from 1984 to 1989, as shown by the May 20, 1992 Memo of MPM employee Julian Tecson. Other than Tecson's Memo, MPM failed to present any other evidence of the conservation program on the ground that the records were discarded in accordance with the National Internal Revenue Code (NIRC) providing for a period of three years for the preservation of documents.

This Court is unconvinced. As noted by the Court of Appeals, Tecson's Memo was written by him upon the request of MPM's counsel and when the present case was already pending before the trial court, as if in afterthought. There was apparently no document whatsoever to prove the existence of said program and said Memo was purportedly based on

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Tecson's recollection. We agree with the appellate court that it was difficult to believe that MPM would simply discard all records of an energy conservation program that saved it millions of pesos every month, just because the NIRC does not require the preservation of such documents for more than three years.

MPM, nevertheless, denies that there was anything wrong with the meters and metering installations. With respect to the time up to November 1987, MPM presented several visitor's slips from January to November 1987 and points out that no defects were found during said period. MPM cites the following testimony of MERALCO witness Engr. Virgilio Talusan, who led inspection trips to MPM in November 1987:

- Q: So, on November 2 and 4, you inspected only the meters contained only in this ARMC cabinet, is that correct?
- A: Yes.
- Q: And what was your finding about this meter?
- A: On November  $2^{nd}$  and  $4^{th}$ , we found the meters to be ok[a]y.
- Q: What do you mean by ok[a]y?
- A: They are still functioning, normally.
- Q: Do you mean that they were registering accurately?
- A: Yes. 13

MERALCO, however, counters that the visitor slips were merely records of meter readings, as was clearly indicated in most of said slips. MERALCO stressed that the first two inspections on November 2 and 4, 1987, as shown by the first part of the above-quoted testimony, were conducted **only on the meters contained in the active-reactive metering cabinet (ARMC)** and did not cover the metering installations that were found to have been tampered with. Engr. Talusan in fact explained earlier in his testimony:

- Q: [Why] did you confine yourselves to just the meters?
- A: During the first two (2) occasions of our inspection, we don't have the facilities to conduct inspection of the metering

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<sup>&</sup>lt;sup>13</sup> TSN, October 16, 1995, pp. 16-17.

installation which is above the post it is forty (40) to forty-five (45) feet above the ground. 14

The evidence presented by MERALCO was precisely with respect to the surprise inspection of the metering facilities on November 9, 1987, when MERALCO was able to secure the necessary equipment. Engr. Talusan clarified the extended scope of the November 9 inspection:

- Q: By another inspection, what do you mean by another inspection?
- A: We were told to inspect the metering facilities of Manila Paper Mills on November 9.
- Q: By metering facilities, you are referring to the entire set-up?
- A: Yes.

#### COURT:

- Q: To what do you refer by metering facilities?
- A: We were told to conduct a thorough inspection of all the metering installation of the Manila Paper Mills, Your Honor.
- Q: And what does that include?
- A: It includes the wires from the potential and current transformer to the metering cabinet, Your Honor. 15

The November 9 inspection yielded the Service Inspection Report bearing the same date and stating the observed irregularities in MPM's metering installation.

MERALCO witness Engr. Talusan explained how the two bored holes on the conduit pipe and the bare portions on the secondary lead wires found inside the tee-elbow showed tampering with the metering or registration of the actual electric usage of MPM:

- Q: When these were installed by the Manila Electric Company, are these wires supposed to be exposed?
- A: No, sir.
- Q: Why?
- A: Usually it is insulated, and that all the wires are insulated.

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<sup>14</sup> Id. at 10.

Id. at 17-18.

Q: So when you saw these wires exposed inside the tee elbow what is your reaction?

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A: The wires with bare portions, your honor are being shortened (sic) by a shortening (sic) device.

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- Q: And then what happens if you put a wire to join the two wires with exposed portion?
- A: The current will be shortened (sic) and the actual consumption of the customer will not fully register in the meter.
- Q: Will it interfere in the flow of power to the plant of the Manila Paper Mills?
- A: No, sir. 16

When MERALCO meter technician Manuel Bumamlag further conducted tests on the metering installation with the presence of a representative from the Board of Energy, MPM did not send a representative to the testing:

- Q: By the way, Mr. witness, who were present when you conducted the tests that you described?
- A: My supervising Engineer and the Inspector of the Board of Energy (IBE).
- Q: Was a representative of Manila Paper Mills present during the examination Mr. witness?
- A: There was no representative from the Manila Paper Mills.
- Q: And do you know the reason, if any, [of] the absence of MPM representatives?

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A: It was stated in the written meter removal form acknowledge[d] by the Manila Paper Mills that they were not sending a representative to the testing.<sup>17</sup>

This test confirmed Engr. Talusan's observation that the prick holes can be used to make the electric current by-pass the meter:

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<sup>17</sup> TSN, June 20, 1997, pp. 5-6.

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<sup>&</sup>lt;sup>16</sup> TSN, February 9, 1988, pp. 23-24.

#### COURT:

- Q: How about with respect to the secondary test that you mentioned, and what have you been tested also, what was the procedure used?
- A: The next thing I did was a simulation test, meaning the two wires from the service line of Meralco to the meter was shorted by inserting a wire through the prick holes before the meter.
- Q: And what were your findings before, Mr. witness?

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- A: It means that the electric current from the primary line immediately goes back, upward by passing the electric meter immediately goes back to the primary line.
- Q: You stated that the meter was being by-passed you are referring to the meter that you actually used in conducting this test?
- A: Yes, sir. 18

On February 17, 1988, another service inspection conducted by MERALCO exposed further abnormalities affecting the MPM's metering installation:

- Q: You stated earlier that when you inspected the metering facility while they were still inside the compound of the Manila Paper Mills, you discovered abnormalities?
- A: Yes, sir.
- Q: Kindly tell this Honorable Court what are those abnormalities?
- A: We found that the drain plug of the meter terminal of the potential transformer, the stickers attached to that were torn and then, thru further inspection the drain plug was loose because of the result of the torn stickers and then we removed the plug, we found out that the common second potential lead was loosely connected to the terminal and which is detachable.
- Q: You stated that there [were] abnormalities, why do you consider th[ese] as abnormalities?

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<sup>&</sup>lt;sup>18</sup> Id. at 5.

- A: I called [them] abnormalities, sir, because, whenever the potential lead is loosely connected, that means, it has effect [on] the registration of kilowatt of the meters.
- Q: What kind of effect?
- A: The rotation of the meter disc will be affected, sir. It will be slower that the normal rotation.
- Q: You stated that you discovered this in the potential transformer. How many potential transformer[s] is that?
- A: Two (2), sir.
- Q: Did you discover these abnormalities in both potential transformers?
- A: Yes, sir.
- Q: And what w[ere] the abnormalities in the other?
- A: The same, sir.
- Q: Meaning, Mr. Budol, that the P.D. sticker covering the drain plug was torn?
- A: Yes, sir.
- Q: The drain plug was loosely connected?
- A: Yes, sir.
- Q: If it is loosely connected, what would be the effect again?
- A: If both [were] loose, the rotation of the meter disc will be slower, sir. 19

MPM relies heavily on the testimony of its witness, Engr. Horacio M. Dimatatac, to prove that the manner alleged by MERALCO by which MPM committed tampering is impossible. We see no reason to disturb the Court of Appeals' ruling that such evidence is "self-serving" and cannot be given credit as it was neither based on an actual physical inspection nor the personal knowledge of the witness who appeared to have depended solely on interviews of fellow MPM employees.

All these considered, we uphold the lower courts in holding that the evidence preponderates in favor of MERALCO such that there was a

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<sup>&</sup>lt;sup>19</sup> TSN, July 21, 1988, pp. 6-8.

"stoppage of, or failure of any meter to register the full amount of the current consumed," and therefore MPM can be "billed for such period on an estimated consumption based upon his use of current in a similar period of use." The Service Contract between the parties does not require MERALCO to prove that it was MPM itself that caused the stoppage or failure of the meter to register the full amount of the current consumed. Even so, MPM not only failed to sufficiently rebut the evidence of MERALCO that the metering facilities were tampered, it was likewise unsuccessful in proving that the steep decrease in its electric consumption from 1984 to 1987 was a result of an energy conservation program.

MPM further alleges that the courts *a quo* erred in awarding temperate damages on the ground that MERALCO allegedly failed to prove pecuniary loss. However, as correctly held by the Court of Appeals:

The factual findings of the trial court, as affirmed by the Court, sufficiently established such pecuniary loss which, however, cannot be precisely quantified based on the nature of the case. Indeed, there is a preponderance of evidence showing that appellant consumed electric power, the value of which is more than what appellee received by way of payments. Consequently, appellee suffered losses from appellant's underpayment of electricity for which the latter is entitled to seek compensation, the amount of which shall be, pursuant to the Service Contract between the parties, based on an estimated consumption. Appellee could not be expected to submit receipts, since there was no basis to issue the same when the actual electric consumption was not registered in the first place. Although the average power factor taken by appellee in computing its differential billings was not accurate as the demand factor was not clearly established and the kilowatthour consumption per month was only estimated, it suffices that it was factually proved that appellee suffered some pecuniary loss. However, based on the nature of the case, the exact amount of such pecuniary loss could not [be] proven with mathematical certainty.<sup>20</sup>

Thus, the lower courts' reliance on Article 2224 of the Civil Code was proper.

On a final point, pursuant to Bangko Sentral ng Pilipinas Circular No. 799 effective July 1, 2013, we resolve to revert the increased legal interest of 12% awarded in the Court of Appeals' Resolution dated October 19, 2004 back to 6%.

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WHEREFORE, the Resolution dated October 19, 2004 of the Court of Appeals in CA-G.R. CV No. 74998 is hereby AFFIRMED with the MODIFICATION that petitioner shall pay respondent legal interest at the rate of 6% per annum as follows: (a) in Civil Case No. 55500, \$\frac{1}{2}96,310,279.66\$ plus 6% interest per annum from finality of judgment until full payment; and, (b) in Civil Case No. 55636, \$\frac{1}{2}6,718,709.005\$ plus 6% interest per annum from finality of judgment until full payment.

SO ORDERED."

Very truly yours,

EDGAR O. ARICHETA
Division Clerk of Court
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The Hon. Presiding Judge Regional Trial Court, Br. 167 1600 Pasig City (Civil Case Nos. 55500 & 55636)

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