



Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated September 8, 2020 which reads as follows:

“G.R. No. 214691 – NATIONAL POWER CORPORATION v. SPOUSES MACARIO EUGENIO AND MARIA EUGENIO, MOLDEX DEVELOPMENT, CORP., SILVESTRE DIAZ, SPOUSES NORMA BULURAN-BARTOLOME AND ANTONIO BARTOLOME

The Case

This petition for review on *certiorari*¹ assails the Court of Appeal’s Decision² dated January 6, 2014 and Resolution³ dated September 29, 2014 in CA-G.R. CV No. 96571, affirming the amount of just compensation fixed by the trial court for Spouses Bartolome’s property at One Thousand Pesos (P1,000.00) per square meter (sq.m.).

Antecedents

On December 9, 1998, petitioner National Power Corporation (NPC), represented by the Office of the Solicitor General (OSG) filed a complaint for expropriation of the respective properties of respondents Spouses Macario and Maria Eugenio (Spouses Eugenio), Spouses Antonio and Norma Bartolome (Spouses Bartolome), Silvestre Diaz, and Moldex Development Corporation (Moldex), represented by Rey Ignacio Diaz. The affected areas which totaled 18,825.75 sq.m. were sought by NPC for its Northwestern Luzon Transmission Line Project in Barangay Partida, Norzagaray, Bulacan.

- over – ten (10) pages ...

119-B

¹ Under Rule 45 of the Rules of Court.

² Penned by Associate Justice Amelita G. Tolentino, concurred in by Associate Justice Ricardo R. Rosario and Associate Justice Leoncia Real-Dimagiba.

³ Penned by Associate Justice Leoncia Real-Dimagiba, concurred in by Associate Justice Ricardo R. Rosario and Associate Justice Myra V. Garcia-Fernandez.

The complaint was raffled to the Regional Trial Court (RTC), Branch 22, Malolos, Bulacan. The trial court subsequently constituted the Board of Commissioners for the purpose of ascertaining the amount of just compensation. The Board consisted of the following members: Atty. Amelia Abesamis, Juanito Malto, and Merito Rillo.⁴

After due proceedings, the trial court, by Decision dated June 26, 2002, adopted the Board of Commissioners' recommendation and fixed the amount of just compensation for Moldex and Spouses Eugenio's property at Six Hundred Pesos (P600.00) per sq.m..⁵ Initially, Moldex, Spouses Eugenio, and the NPC appealed. Later, however, the parties entered into a compromise agreement which the Court of Appeals approved under Judgment dated May 26, 2004. Consequently, an Entry of Judgment was issued with respect to the properties of Moldex and Spouses Eugenio.⁶

Meantime, the case proceeded with respect to the property of Spouses Bartolome. For this purpose, the trial court constituted another Board of Commissioners composed of Zeus Borja, Gloria Sta. Maria, Atty. Percyveranda Dela Cruz, and Joey Teope.⁷

In their Report dated April 22, 2009, the Board of Commissioners recommended One Thousand Pesos (P1,000.00) per sq.m. as just compensation for Spouses Bartolome's property. In arriving at this value, the Board of Commissioners considered the following documents:

1. Tax Declaration No. 2006-14008-02478 for the year 2007 issued by the Office of the Municipal Assessor of Norzagaray, Bulacan;
2. Average of Sales Data and Opinion Values conducted by the Office of the Municipal Assessor of Norzagaray, Bulacan;
3. Resolution No. 2008-012 dated June 23, 2008 issued by Provincial Appraisal Committee affirming the average

- over -

119-B

⁴ *Rollo*, p. 14.

⁵ *Rollo*, pp.14-15.

WHEREFORE, IN VIEW OF THE FOREGOING, the appraised value of the property sought to be expropriated is hereby valued at SIX HUNDRED (P600.00) PESOS per square meter including the dangling area. And based on the area actually expropriated by plaintiff National Power Corporation which is 11,292 square meter (lot 841-A) and the dangling area (collateral damage) of 11,028 sq.m. (lot 841-B, 660 sq.m.; Lot 841-C, 4,348 sq.m.; lot 841-D, 5773 sq.m.; and lot 841-E, 247 sq.m.) plaintiff NAPOCOR is hereby ordered to pay Moldex Development Corporation or its representative the total amount of THIRTEEN MILLION THREE HUNDRED NINETY TWO THOUSAND (P13,392,000.00) PESOS with 12% per annum from the date of this Decision until full payment thereof. Likewise, the plaintiff is hereby ordered to pay 6% interest of P13,392,000.00 from the date of filing of this Complaint to the date of this Decision representing the expropriation of the property for that period.

⁶ *Id.* at 15.

⁷ *Id.* at 16.

- market value of land located in Brgy. Partida, Norzagaray, Bulacan;
4. Property Identification Map; and,
 5. Deeds of Sale between the period of November 2002 and March 2008.⁸

Commissioner Teope, however, disagreed on the amount recommended by the Board. He thus filed his Separate Commissioner's Report recommending Three Hundred Pesos (P300.00) per sq.m. for the residential portion of the property and One Hundred Seventy Pesos (P170.00) for its agricultural portion.⁹

Spouses Bartolome signified their agreement to the value fixed by the Board of Commissioners at One Thousand Pesos (P1,000.00) per sq.m..

The Ruling of the Trial Court

By Decision dated November 22, 2010, the trial court adopted the Board of Commissioners' recommended value of One Thousand Pesos (P1,000.00) per sq.m., thus:

WHEREFORE, IN VIEW OF THE FOREGOING, the just compensation of the property sought to be expropriated is hereby fixed at ONE THOUSAND PESOS (Php1,000.00) per square meter. With respect to the area being expropriated by plaintiff National Power Corporation which is 4,198 square meters covered by Transfer Certificate Title T-22730-P(M) containing an area of more or less 8,101 square meters situated at Brgy. Partida Municipality of Norzagaray, Bulacan, plaintiff National Power Corporation is hereby ordered to pay defendant-spouses Norma Buluran-Bartolome and Antonio Bartolome the total amount of FOUR MILLION ONE HUNDRED (NINETY-EIGHT) THOUSAND PESOS (Php4,198,000.00) with 6% interest per annum from the date of this Order until full payment thereof.¹⁰

The trial court ruled that between the Report of the Board of Commissioners as a whole and that of Commissioner Teope, the former bore a more "in-depth" appraisal.¹¹

The Ruling of the Court of Appeals

- over -

119-B

⁸ *Id.* at 30-32.

⁹ *Id.* at 37.

¹⁰ *Id.* at 16-17.

¹¹ *Id.* at 38.

On appeal, NPC faulted the trial court for fixing the amount of just compensation based on the Board of Commissioners' recommendation, albeit the same lacked competent documentary evidence.

Under its assailed Decision dated January 6, 2014, the Court of Appeals affirmed. It found that the amount of One Thousand Pesos (P1,000.00) per sq.m., as recommended by the Board of Commissioners was amply supported by the evidence on record. Besides, it noted that NPC did not even question the integrity and impartiality of the Board, thus, their recommendation must stand.¹²

By Resolution dated September 29, 2014, NPC's motion for reconsideration was denied.¹³

The Present Petition

NPC now asks the Court to exercise its discretionary appellate jurisdiction to review and reverse the assailed dispositions of the Court of Appeals. It argues, in the main:

The Court of Appeals committed reversible error when it affirmed the trial court's valuation of One Thousand Pesos (P1000.00) per sq.m., as recommended by the Board of Commissioners. This valuation was based on mere photocopies which did not carry any probative value, as they were even inadmissible in evidence.¹⁴ Too, these documents were circa 2002 to 2008, which certainly are incompetent bases for valuating the property taken way back in 1998.¹⁵ In fine, the Board cannot be accorded the presumption of regularity in the performance of its official duty.

The NPC, thus, prays that the case be remanded to the trial court for determination of the correct amount of just compensation.¹⁶

Spouses Bartolome, on the other hand, seek to dismiss the petition outright because it raises a factual issue beyond the Court's jurisdiction under Rule 45. They, too, assert that the presumption of regularity in the performance of official duty must be upheld in favor of the Board.¹⁷

- over -

119-B

¹² *Id.* at 29-36.

¹³ *Id.* at 41-42.

¹⁴ *Id.* at 19.

¹⁵ *Id.* at 20.

¹⁶ *Id.* at 21-22.

¹⁷ *Id.* at 60-62.

In its Reply, the NPC maintains that the credibility of the members of the Board of Commissioners is not the issue here. What is brought to the fore is the reliability of the figures and documents used by the Board in fixing the value of just compensation for the Bartolome property. When a finding is based entirely on speculation, surmises, or conjectures, the Court may, as an exception, take cognizance of the factual issue at hand.¹⁸

The Core Issue

Did the Court of Appeals commit reversible error in affirming the amount of One Thousand Pesos (P1,000.00) per sq.m. as just compensation for the property?

Ruling

As a rule, in petitions for review on certiorari under Rule 45, the Court is narrowly confined to the review of legal issues. The trial court's factual findings, as affirmed by the Court of Appeals will not be disturbed.¹⁹ The Court, however, has recognized several exceptions, among them, **when the factual findings are grounded entirely on speculations, surmises or conjectures**, as in this case.

Here, the NPC raises the factual question of whether the Court of Appeals committed reversible error when it sustained the trial court's determination of just compensation at One Thousand Pesos (P1,000.00) per sq.m.. This value was proposed by the Board of Commissioners based on the following documents: 1) Tax Declaration No. 2006-14008-02478 for the year 2007 issued by the Office of the Municipal Assessor of Norzagaray, Bulacan; 2) Average of Sales Data and Opinion Values conducted by the Office of the Municipal Assessor of Norzagaray, Bulacan; 3) Resolution No. 2008-012 dated June 23, 2008 issued by Provincial Appraisal Committee affirming the average market value of land located in Brgy. Partida, Norzagaray, Bulacan; 4) Property Identification Map; and, 5) Deeds of Sale between the period of November 2002 and March 2008.²⁰

We reverse.

None of the aforesaid documents shows the value of the property at the time of taking in 1998, albeit it is settled that just

- over -

119-B

¹⁸ *Id.* at 93-97.

¹⁹ *Gatan v. Vinarao*, 820 Phil. 257, 273 (2017).

²⁰ *Id.* at 30-32.



compensation is to be ascertained as of the time of taking, which usually coincides with the commencement of the expropriation proceedings.²¹

In *Evergreen Manufacturing Corporation v. Republic*,²² the Court rejected the amount fixed as just compensation because all the conditions taken into account did not reflect the value of subject properties at the time of taking. In that case, there was nothing to show the value of the property in 2004 when the taking took place. The BIR Zonal Valuation and the court decisions were reflective of the value of the property in 2000, four (4) years before the taking of the subject premises by the government. On the other hand, the ocular inspection was conducted in 2008, four (4) years after the time of taking. Thus, there was no clear factual evidence for the correct determination of just compensation.

*Bases Conversion Development Authority v. Reyes*²³ ordained that expropriation cases involve the expenditure of public funds and, thus, are matters of public interest. Trial courts are required to be more circumspect in their evaluation of just compensation to be awarded to the owner of the expropriated property. Here, being thus devoid of factual and legal bases, the valuation of One Thousand Pesos (P1,000.00) per sq.m. for subject property should be set aside.

While remanding the case to receive evidence would enable the court to clearly determine the amount of just compensation at the time of taking, a remand of the case here would be prejudicial to both the NPC and Spouses Bartolome as it would further delay an over two (2) decade old protracted litigation now. In *Evergreen*, the Court held that making its own finding of just compensation based on available records would be most beneficial to both parties concerned.²⁴

The Court will do the same here.

Records show that for the Moldex property, the Board of Commissioners had previously recommended just compensation at Six Hundred Pesos (P600.00) per sq.m., using as bases therefor a) contracts to sell between Moldex and its lot buyers between the years 1996 and 1998 and b) the other expropriation cases initiated by NPC involving properties situated within the same area. The trial court

- over -

119-B

²¹ *National Power Corporation v. Diato-Bernal*, 653 Phil. 345, 354 (2010).

²² 817 Phil. 1048, 1062 (2017).

²³ 711 Phil. 631, 641-642 (2013).

²⁴ *Supra* note 22, at 1063-1064.

adopted this recommended value as just compensation for the Moldex property. On appeal, the parties themselves amicably agreed to accept this amount, as well.

These sale transactions may also be used as competent bases for the valuation of the lot of Spouses Bartolome.²⁵ In addition, we have on record other expropriation cases initiated by the NPC between 1997 and 1998 involving other similarly situated properties, *i.e.*, *National Power Corporation v. Purefoods Corporation, et al.*, and *National Power Corporation v. San Pedro*.

In *Purefoods*, NPC filed a complaint for eminent domain in 1997 on properties covering several towns of Bulacan for the construction of NPC's Northwestern Luzon Project. One (1) of the properties involved likewise belonged to Moldex. The Court ruled the amount of Seven Hundred Pesos (P700.00) per sq.m. was a just compensation therefor.²⁶

On the other hand, in *National Power Corporation v. San Pedro*, the Court adjudged the value of just compensation of respondent's property at Four Hundred Ninety-Nine Pesos (P499.00) per sq.m. on the agricultural portion and Eight Hundred Pesos (P800.00) per sq. m. on the residential portion of the lot. In that case, the NPC likewise filed a complaint for expropriation in 1998 on respondent's property located in Barangay Partida, Norzagaray, Bulacan for the same project as here: NPC's Northwestern Luzon Transmission Line Project. The Court considered several factors including the Provincial Appraisals Committee Resolution No. 97-005 which set the value of properties in Bulacan at Six Hundred Pesos (P600.00) per sq.m. for residential and Four Hundred Pesos (P400.00) per sq.m. for agricultural portion.²⁷

These cases show the value of the property at points within or close to the time of taking in 1998. Notably, the lands involved in the cited cases were all similarly situated in Bulacan and sought as well for NPC's Northwestern Luzon Transmission Line Project. Considering the values of the properties range between Four Hundred Pesos (P400.00) to Seven Hundred Pesos (P700.00) per sq. m., the Court deems the value of Six Hundred Pesos (P600.00) per sq.m. in this case as just compensation for the lot of Spouses Bartolome.

- over -

119-B

²⁵ *National Power Corporation v. Spouses Asoque*, 795 Phil. 19 (2016).

²⁶ 586 Phil. 587 (2008).

²⁷ 534 Phil. 448 (2006).

Interest on the payment of just compensation

Just compensation envisions a payment in full of the expropriated property. For the owner's loss is not only his property but also its income-generating potential. Thus, when property is taken, full compensation of its value must immediately be paid to achieve a fair exchange for the property and the potential income lost. The rationale for imposing the interest is to compensate the landowners for the income they would have made had they been properly compensated for their properties at the time of the taking.²⁸

In *Republic v. Mupas*, the Court held that interest on the unpaid compensation becomes due if there is no full compensation for the expropriated property, viz.:

The reason is that just compensation would not be "just" if the State does not pay the property owner interest on the just compensation from the date of the taking of the property. Without prompt payment, the property owner suffers the immediate deprivation of both his land and its fruits or income. The owner's loss, of course, is not only his property but also its income-generating potential.

Ideally, just compensation should be immediately made available to the property owner so that he may derive income from this compensation, in the same manner that he would have derived income from his expropriated property.

However, if full compensation is not paid for the property taken, then the State must pay for the shortfall in the earning potential immediately lost due to the taking, and the absence of replacement property from which income can be derived. **Interest on the unpaid compensation becomes due as compliance with the constitutional mandate on eminent domain and as a basic measure of fairness.**

Thus, interest in eminent domain cases "runs as a matter of law and follows as a matter of course from the right of the landowner to be placed in as good a position as money can accomplish, as of the date of taking."²⁹

More, *Evergreen* elucidates that the delay in the payment of just compensation is a forbearance of money. As such, this is necessarily entitled to earn interest. Thus, when the taking of the property precedes the filing of the complaint for expropriation, the

- over -

119-B

²⁸ *National Transmission Corporation v. Oroville Development Corporation*, 815 Phil. 91, 112 (2017).

²⁹ 769 Phil. 21, 194-195 (2015).

Court orders the condemnor to pay the full amount of just compensation from the date of taking whose interest shall likewise commence on the same date, not on the date when the amount of just compensation becomes certain.³⁰

Here, since the time of taking on December 9, 1998 up to the present or a total of twenty-two (22) years, Spouses Eugenio still have not yet been fully paid just compensation in full. *Land Bank of the Philippines v. PhilAgro Industrial Corporation* decreed that the delay of payment of just compensation entitles them to the payment of interest to compensate for the loss of income due to the taking.³¹

Applying the case of *Nacar v. Gallery Frames*, a legal interest of twelve percent (12%) *per annum*, shall be imposed on the value of just compensation reckoned from the time of taking on December 9, 1998 until June 30, 2013. Thereafter, or beginning July 1, 2013, just compensation shall earn legal interest of six percent (6%) *per annum*, until fully paid.³²

ACCORDINGLY, the petition is **PARTLY GRANTED**. The Decision dated January 6, 2014 and Resolution dated September 29, 2014 in CA-G.R. CV No. 96571 are **REVERSED**. The National Power Corporation is **ORDERED** to pay Spouses Bartolome just compensation for their property equivalent to Six Hundred Pesos (P600.00) per square meter.

A legal interest of twelve percent (12%) is imposed on the total amount of just compensation reckoned from the time of taking on December 9, 1998 until June 30, 2013. Thereafter, or beginning July 1, 2013, the legal interest imposed is six percent (6%) *per annum*, until fully paid.

The letter dated September 10, 2019 of Ms. Ma. Janice R. Pilapil, Records Officer I, Archives Section, Court of Appeals, Manila, in compliance with the Resolution dated July 22, 2019, transmitting the rollo of CA G.R. CV No. 96571 with 144 pages and two (2) folders of original records, is **NOTED**.

- over -

119-B


³⁰ *Evergreen Manufacturing Corporation v. Republic of the Philippines*, 817 Phil. 1070 (2017).

³¹ 807 Phil. 183, 194 (2017).

³² 716 Phil. 267 (2013).

SO ORDERED.”

By authority of the Court:


LIBRADA C. BUENA
Division Clerk of Court ^{2012/12/14}

by:

MARIA TERESA B. SIBULO
Deputy Division Clerk of Court
119-B

The Solicitor General
134 Amorsolo Street, Legaspi Village
1229 Makati City

Court of Appeals (x)
Manila
(CA-G.R. CV No. 96571)

BERNABE-TONGCO LAW OFFICE
Counsel for Resps. Sps. Bartolome
2nd Floor, Commercial Building
Capitol Compound, 3000 Malolos City

Moldex Realty Corporation
Respondent
c/o Mr. Ignacio M. Diaz
Moldex Building, Ligaya Street cor.
West Avenue, 1100 Quezon City

Sps. Macario & Maria Eugenio
Respondents
(Forwarding address unknown)

Ms. Maria Fe Osorio
Daughter of Resp. S. Diaz
(Forwarding address unknown)

The Hon. Presiding Judge
Regional Trial Court, Branch 22
Malolos, 3000 Bulacan
(Civil Case No. 1285-M-1998)

Public Information Office (x)
Library Services (x)
Supreme Court
(For uploading pursuant to A.M.
No. 12-7-1-SC)

Judgment Division (x)
Supreme Court

UR

