



Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

NATIONAL POWER
CORPORATION,
Petitioner,

G.R. No. 198139

Present:

- versus -

CARPIO, *Acting Chief Justice*,^{*}
BRION,
DEL CASTILLO,
VILLARAMA, JR.,^{**} and
LEONEN, JJ.

FELICISIMO TARCELO and
HEIRS OF COMIA SANTOS,
Respondents.

Promulgated:
SEP 09 2014

X-----X

DECISION

DEL CASTILLO, J.:

Execution must always conform to that decreed in the dispositive part of the decision, because the only portion thereof that may be the subject of execution is that which is precisely ordained or decreed in the dispositive portion; whatever is in the body of the decision can only be considered as part of the reasons or conclusions and serves as a guide in determining the *ratio decidendi*.¹

This Petition for Review on *Certiorari*² seeks to set aside the January 20, 2011 Decision³ of the Court of Appeals (CA) and August 9, 2011 Resolution⁴ in CA-G.R. SP No. 112054, which denied the herein petitioner's Petition for *Certiorari* and Motion for Reconsideration, respectively, thus affirming the dispositions of the Regional Trial Court of Batangas City, Branch VII (Batangas City RTC) in Civil Case No. 5785.

^{*} Per Special Order No. 1770 dated August 28, 2014.

^{**} Per Special Order No. 1767 dated August 27, 2014.

¹ *National Power Corporation v. Alonzo-Legasto*, 485 Phil. 732, 762 (2004).
² *Rollo*, pp. 28-64.

³ *Id.* at 67-81; penned by Associate Justice Mariflor P. Punzalan Castillo and concurred in by Associate Justices Josefina Guevara-Salonga and Franchito N. Diamante.

⁴ *Id.* at 83-84.

Factual Antecedents**Civil Case No. 5785**

Respondents Felicisimo Tarcelo (Tarcelo) and the heirs of Comia Santos (Santos heirs) are the owners of two lots measuring 4,404 and 2,611 square meters, respectively, which are situated in Brgy. Tabangao-Ambulong, Batangas City.

Sometime in 2000, petitioner National Power Corporation (NPC) filed Civil Case No. 5785 with the Batangas City RTC, seeking to expropriate portions of Tarcelo and the Santos heirs' lots to the extent of 1,595.91 square meters which are affected by the construction and maintenance of NPC's 1,200 MW Ilijan Natural Gas Pipeline Project. In other words, NPC's natural gas pipeline shall traverse respondents' lands to such extent.

On July 29, 2002, the Batangas City RTC issued an order of condemnation, thus authorizing NPC to take possession of the subject lots. Thereafter, it appointed three commissioners who in turn submitted their respective Reports⁵ and recommendations on the amount of just compensation to be paid to respondents.

On November 7, 2005, the Batangas City RTC rendered a Decision⁶ fixing just compensation for the subject lots at ₱1,000.00 per square meter, thus:

In the Commissioner's Report filed by Chairman of the Board Emelinda C. Atienza, she recommended x x x the amount of ₱1,120.00 per square meter as just compensation for the properties involved in this case. She based her findings on the following:

Property of Felicisimo Tarcelo⁷

1. The subject property is classified as agricultural land;
2. It is approximately 420 meters away from Shell Refinery and approximately 40 meters away from the Barangay Road;
3. Adjoining boundary owners property [sic] are also classified as agricultural lands.

⁵ Id. at 95-110.

⁶ Id. at 111-114; penned by Judge Teodoro Tapia Riel.

⁷ Affected to the extent of 459.03 square meters (acquisition) and 909.38 square meters (lease), out of his total land ownership of 4,404 square meters.

Property of the Heirs of Santos Comia⁸

1. The property is classified as agricultural land;
2. It is approximately 560 meters away from Shell Refinery and approximately 140 meters away from the Barangay Road;
3. Adjoining boundary owners property [sic] are also classified as agricultural land.

Commissioners Alberto M. Nuique and Eladio Taupa of the National Power Corporation (NPC) also submitted their own Commissioner's Report. They recommended that the amount of ₱475.00 per square meter be made as the payment of the affected portion of the subject property which is 10% of the fair market value pursuant to Republic Act No. 6395 as amended.

Commissioners Taupa and Nuique recommended the amount of ₱475.00 per square meter because only a right-of-way easement will be acquired. According to the Supreme Court in the case of NPC v. Manubay Agro Industrial Dev. Corp., G.R. No. 150936, August 18, 2004, even if what is acquired is only an easement of right of way, still, the plaintiff should pay the full value of the property and not a mere easement fee.

Based on the foregoing, the court fixes the just compensation for the subject properties situated in Brgy. Tabangao-Ambulong, Batangas City at ONE THOUSAND PESOS (₱1,000.00) per square meter.

WHEREFORE, plaintiff National Power Corporation is ordered to pay the defendants the amount of ₱1,000.00 per square meter.

Upon payment of just compensation to the defendants, subject to the deductions of the sums due the Government for unpaid real estate taxes and other imposts, the plaintiff shall have a lawful right to enter, take possession and acquire easement of right-of-way over the portions of the properties together with the improvements sought to be expropriated for the purpose stated, free from any and all liens and encumbrances.

Finally, the plaintiff is directed to pay the corresponding Commissioner's fees per meeting or the following sums:

Chairman Emelinda C. Atienza -	₱1,000.00
Members Alberto M. Nuique -	₱ 800.00
and Eladio Taupa -	₱ 800.00

SO ORDERED.⁹

⁸ Affected to the extent of 25 square meters (acquisition) and 202.50 square meters (lease), out of their total land ownership of 2,611 square meters.

⁹ *Rollo*, pp. 112-113.

CA-G.R. CV No. 86712

NPC filed an appeal – docketed as CA-G.R. CV No. 86712 – with the CA. On June 26, 2007, the appellate court issued a Decision,¹⁰ stating as follows:

At bar, it cannot be gainsaid that the construction of underground pipeline is a simple case of mere passage of gas pipeline. It will surely cause damage and prejudice to the agricultural potentials of appellees' property. Deep excavation will have to be done whereby plants and trees will be uprooted. A possible leakage could certainly do harm and adversely restrict the agricultural and economic activity of the land. This is not to mention that it will create an environmental health hazard dangerous to the occupant's life and limb.

Hence, defendants-appellees are entitled for [sic] just compensation to [sic] the *full* market value of their property not just ten percent (10%) of it.

x x x x

Taking all the consideration [sic] of the subject property, Commissioners Taupa and Nuique placed the value of the property at ₱475.00 per square meter based on the Land Bank valuation and Cuervo Appraisers, Inc. and the Provincial/City Appraisal Committees of Batangas, Laguna and Lipa City, while Commissioner Atienza valued the property at ₱1,120.00 per square meter, based on the average value per findings of the Committee composed of the City Assessor, City Treasurer, City Engineer under Resolution No. 9-99 dated June 18, 1999 that the subject property will cost ₱1,000.00 to ₱1,300.00 per square meter, and the opinion value of her Team's survey and Report which revealed that the prevailing price of agricultural land in Tabangao-Ambulong, Batangas City is NINE HUNDRED THIRTY PESOS (₱930.00) per square meter.

In pronouncing the just compensation in this case, We fix the rate of the subject property at SEVEN HUNDRED NINETY SEVEN [sic] and FIFTY CENTAVOS (₱797.50) per square meter by averaging ₱475.00 and ₱1,120.00 of the commissioner's report. This is nearest to and in consonance with the ruling that in expropriation proceedings, the owner of the property condemned is generally entitled to the fair market value, that is the sum of money which a person desirous but not compelled to buy, and an owner willing but not compelled to sell.

IN VIEW OF ALL THE FOREGOING, appealed decision dated November 7, 2005 is AFFIRMED with MODIFICATION that the just compensation in this case is lowered from ONE THOUSAND PESOS (₱1,000.00) to SEVEN HUNDRED NINETY SEVEN and FIFTY CENTAVOS (₱797.50) per square meter. No pronouncement as to costs.

SO ORDERED.¹¹

¹⁰ Id. at 115-122; penned by Associate Justice Conrado M. Vasquez, Jr. and concurred in by Associate Justices Edgardo F. Sundiam and Monina Arevalo-Zenarosa.

¹¹ Id. at 120-122.

The above Decision of the appellate court became final and executory, and entry of judgment was done accordingly.¹²

Respondents moved for execution.¹³ In a March 6, 2009 Order,¹⁴ the Batangas City RTC granted their respective motions, and a Writ of Execution¹⁵ was issued.

On May 14, 2009, a Notice of Garnishment¹⁶ was served on the Manager of the Land Bank of the Philippines, NPC Branch, Quezon City for the satisfaction of the amount of ₱5,594,462.50 representing just compensation for the **whole** of respondents' 4,404- and 2,611-square meter lots – or 7,015 square meters – and not merely the supposedly affected portions thereof totaling 1,595.91 square meters as NPC originally sought to acquire.

On May 29, 2009, NPC filed an Urgent Omnibus Motion¹⁷ seeking to quash the Writ of Execution and Notice of Garnishment, which it claimed were inconsistent with the Batangas City RTC's November 7, 2005 Decision and the CA's June 26, 2007 Decision in CA-G.R. CV No. 86712 where just compensation was fixed at ₱1,000.00 per square meter only for the affected area of 1,591.91 square meters, and not for the whole of respondents' respective lots. It argued that the appeal in CA-G.R. CV No. 86712 resolved only the issue of whether respondents should be paid the full market value of the affected 1,595.91-square meter area or just a 10% easement fee therefor; it did not decide whether NPC should pay just compensation for the entire area of 7,015 square meters.

On September 24, 2009, the Batangas City RTC issued an Order¹⁸ denying NPC's Urgent Omnibus Motion, declaring that –

The cases cited by plaintiff are not in point. These cases involved either the construction and maintenance of electric transmission lines x x x or the widening of road component x x x. None of the cited cases involved underground natural gas pipelines, as in this case. It does not take an expert to be able to infer that there is a world of difference on the probable effects of the two (2) kinds of projects on the properties upon which these are imposed. In the case of transmission lines, the NPC imposes a limitation on the property owner's use of their property in that below said transmission lines no plant higher than three (3) meters is planted. In the case of underground pipelines, similar, if not more burdensome restrictions, are imposed for the reason that the ground under which the natural gas pipelines are located could not be cultivated in view of the dangers that might result from accidental injury or damage to the pipelines.

¹² Id. at 37.

¹³ Id. at 131-137.

¹⁴ Id. at 138.

¹⁵ Id. at 139-141.

¹⁶ Id. at 142.

¹⁷ Id. at 144-147.

¹⁸ Id. at 148-152; penned by Judge Aida C. Santos.

Moreover, there is the possible inestimable damage that an unpredictable natural disaster such as an earthquake of tectonic origin, the precise date and time of occurrence of which are yet beyond the powers of man to accurately foretell, could inflict on the underground natural gas pipelines and consequently, on all things, living and non-living, that exist in the vicinity of the defendants' properties.

Moreover, the ruling that just compensation should be paid for the entire area of the owner's property and not just the affected portion thereof is not without precedent. In *NPC vs. Court of Appeals* (436 SCRA 195, 201 [August 12, 2001]), the Supreme Court [noted] that "Pobre's property suffered permanent injury because of the noise, water, air, and land pollution generated by NPC's geothermal plants[; t]he construction and operation of the geothermal plants drastically changed the topography of the property making it no longer viable as a resort-subdivision[; and t]he chemicals emitted by the geothermal plants damaged the natural resources in the property and endangered the lives of the residents. Accordingly, the Supreme Court held that "NPC did not only take the 8,311.60 square meter portion of the property but also the remaining area of the 68,969 square-meter property. NPC had rendered Pobre's entire property useless as a resort-subdivision. The property has become useful only to NPC. NPC must therefore take Pobre's entire property and pay for it. x x x

In the case at bar, it was not disputed that the subject properties are agricultural lands. In order to be useful to its owners, such agricultural lands must be cultivated to yield a harvest of agricultural produce. But when such lands are burdened with an easement even of the non-apparent kind, but which to all intents and purposes restrict, nay, preclude the very activity that would render it useful to its owners because the existence of such easement poses an undeniable danger to the life and limb of the occupants, then such lands cease to be useful to the property owners and useful only to the entity that imposed the easement upon the land. The Honorable Court of Appeals recognized this fact when it declared that:

"At bar, it cannot be gainsaid that the construction of underground pipeline is a simple case of mere passage of gas pipeline. It will surely cause damage and prejudice to the agricultural potentials of appellees' property. Deep excavation will have to be done whereby plants and trees will be uprooted. A possible leakage could certainly do harm and adversely restrict the agricultural and economic activity of the land. This is not to mention that it will create an environmental health hazard dangerous to the occupant's life and limb.

Hence, defendants-appellees are entitled for [sic] just compensation to the full market value of their property not just ten percent of it.

Just compensation is defined as the full and fair equivalent of the property taken from its owner by the expropriator. The measure is not the taker's gain, but the owner's loss." x x x

Thus, the argument of defendant heirs of Santos Comia is well taken that as to them, the entire area of their property, and not just the affected portion

thereof, had become useless to them. It is [useful only] to plaintiff NPC. The same holds true for the entire property owned by defendant Felicisimo Tarcelo. Therefore, NPC must pay for the full market value of the entire properties owned by defendant Felicisimo Tarcelo and defendant heirs of Santos Comia.

WHEREFORE, the Omnibus Motion is DENIED. As the Writ of Execution dated March 9, 2009 and Notice of Garnishment dated May 14, 2009 are consistent with the Decision of the Court of Appeals dated June 28, 2007, this Court's Sheriff is hereby ordered to forthwith enforce the Writ of Execution dated March 9, 2009 and Notice of Garnishment dated May 14, 2009 and to submit immediately a written report on his proceedings thereon.

SO ORDERED.¹⁹

NPC filed a Motion for Reconsideration,²⁰ which was denied in an October 23, 2009 Order²¹ on the ground that it did not contain a notice of hearing and was thus a mere scrap of paper that did not toll the running of the period to appeal and therefore rendered the Batangas City RTC's September 24, 2009 Order final and executory.

Ruling of the Court of Appeals

Seeking to set aside the September 24, 2009 and October 23, 2009 Orders of the Batangas City RTC as well as its March 9, 2009 Writ of Execution and May 14, 2009 Notice of Garnishment, NPC filed a Petition for *Certiorari*²² with the CA, which was docketed as CA-G.R. SP No. 112054. It pleaded liberality in the application of the rule on motions and insisted that the assailed writ of execution and notice of garnishment were inconsistent with the CA's June 26, 2007 Decision in CA-G.R. CV No. 86712 in which just compensation was fixed at ₱1,000.00 per square meter only for the affected area of 1,595.91 square meters, and not for the whole of respondents' respective lots. It reiterated that since the trial court's dispositions were irregular and inconsistent with the Decision in CA-G.R. CV No. 86712, justice dictated that the technical rules on motions should give way to considerations of equity; that in CA-G.R. CV No. 86712, the only question that had to be resolved was whether NPC should pay the full market value of the 1,595.91-square meter affected area or merely a 10% easement fee for the use thereof – and not whether it should pay for the entire 7,015 square meters owned by respondents. Finally, it maintained that the inclusion of the whole property instead of only the affected portions thereof would render the execution process in Civil Case No. 5785 unjust and inequitable.

¹⁹ Id. at 150-152.

²⁰ Id. at 153-158.

²¹ Id. at 159-160.

²² Id. at 161-195.

On January 20, 2011, the CA rendered the assailed Decision containing the following decretal portion:

WHEREFORE, the instant petition for certiorari is *DENIED*. Accordingly, the assailed Orders of the public respondent Regional Trial Court of Batangas City, in Civil Case No. 5785, *STAND*.

SO ORDERED.²³

The CA held that there was nothing in the November 7, 2005 Decision of the Batangas City RTC to indicate that NPC was being ordered to pay just compensation only for the 1,595.91-square meter portion of respondents' properties; on the contrary, the trial court held that –

Based on the foregoing, **the court fixes the just compensation for the subject properties** situated in Brgy. Tabangao-Ambulong, Batangas City at ONE THOUSAND PESOS (₱1,000.00) per square meter.²⁴ (Emphasis supplied)

– which meant that in the fixing of the amount of just compensation, the trial court did not confine itself to the 1,595.91-square meter portion but rather to the subject properties in their entirety and without qualification. It added that the trial court's citation of *National Power Corporation v. Manubay Agro-Industrial Development Corporation*²⁵ strengthened the view that the trial court intended for respondents to be paid compensation for the whole of their properties, as it was held in said cited case that just compensation should be "neither more nor less than the monetary equivalent of the land;"²⁶ the trial court's judgment may be clarified by referring to other portions thereof, and not by reading them separately from the whole decision – in other words, the "decision should be taken as a whole and considered in its entirety to get the true meaning and intent of any particular portion thereof."²⁷

The CA noted that even in the June 26, 2007 Decision in CA-G.R. CV No. 86712, it was acknowledged that –

At bar, it cannot be gainsaid that the construction of underground pipeline is a simple case of mere passage of gas pipeline. It will surely cause damage and prejudice to the agricultural potentials of appellees' property. Deep excavation will have to be done whereby plants and trees will be uprooted. A possible leakage could certainly do harm and adversely restrict the agricultural and economic activity of the land. This is not to mention that it will create an

²³ Id. at 80.

²⁴ Id. at 113.

²⁵ 480 Phil. 470 (2004).

²⁶ Id. at 479.

²⁷ *Rollo*, p. 76; citing *La Campana Development Corporation v. Development Bank of the Philippines*, 598 Phil. 612 (2009); *Polcarpio v. Philippine Veterans Board*, 106 Phil. 125 (1959).

environmental health hazard dangerous to the occupant's life and limb.

Hence, defendants-appellees are entitled for [sic] just compensation to [sic] the *full* market value of their property not just ten percent (10%) of it.²⁸

It added that in the September 24, 2009 Order of the Batangas City RTC, it was made clear that NPC should pay for the entire area of respondents' properties, and not just the affected portions thereof when it held that –

x x x. In the case of underground pipelines, similar, if not more burdensome restrictions, are imposed for the reason that the ground under which the natural gas pipelines are located could not be cultivated in view of the dangers that might result from accidental injury or damage to the pipelines. Moreover, there is the possible inestimable damage that an unpredictable natural disaster such as an earthquake of tectonic origin, the precise date and time of occurrence of which are yet beyond the powers of man to accurately foretell, could inflict on the underground natural gas pipelines and consequently, on all things, living and non-living, that exist in the vicinity of the defendants' properties.

Moreover, the ruling that just compensation should be paid for the entire area of the owner's property and not just the affected portion thereof is not without precedent. In NPC vs. Court of Appeals (436 SCRA 195, 201 [August 12, 2001]), the Supreme Court [noted] that "Pobre's property suffered permanent injury because of the noise, water, air, and land pollution generated by NPC's geothermal plants[; t]he construction and operation of the geothermal plants drastically changed the topography of the property making it no longer viable as a resort-subdivision[; and t]he chemicals emitted by the geothermal plants damaged the natural resources in the property and endangered the lives of the residents. Accordingly, the Supreme Court held that "NPC did not only take the 8,311.60 square meter portion of the property but also the remaining area of the 68,969 square-meter property. NPC had rendered Pobre's entire property useless as a resort-subdivision. The property has become useful only to NPC. NPC must therefore take Pobre's entire property and pay for it. x x x

In the case at bar, it was not disputed that the subject properties are agricultural lands. In order to be useful to its owners, such agricultural lands must be cultivated to yield a harvest of agricultural produce. But when such lands are burdened with an easement even of the non-apparent kind, but which to all intents and purposes restrict, nay, preclude the very activity that would render it useful to its owners because the existence of such easement poses an undeniable danger to the life and limb of the occupants, then such lands cease to be useful to the property owners and useful only to the entity that imposed the easement upon the land. The Honorable Court of Appeals recognized this fact when it declared that:

"At bar, it cannot be gainsaid that the construction of underground pipeline is a simple case of mere passage of gas pipeline. It will surely cause damage and prejudice to the agricultural potentials of appellees' property. Deep excavation

²⁸ *Rollo*, p. 120.

will have to be done whereby plants and trees will be uprooted. A possible leakage could certainly do harm and adversely restrict the agricultural and economic activity of the land. This is not to mention that it will create an environmental health hazard dangerous to the occupant's life and limb.

Hence, defendants-appellees are entitled for (sic) just compensation to [sic] the full market value of their property not just ten percent of it.²⁹

Finally, the CA found nothing wrong with the trial court's October 23, 2009 Order denying NPC's Motion for Reconsideration (of the trial court's September 24, 2009 Order), since the said motion lacked the required notice of hearing; it was properly treated as a *pro forma* motion, a mere scrap of paper, and in the absence of merit and compelling reasons, the Rule pertaining to motions may not be relaxed for NPC's benefit.

NPC filed its Motion for Reconsideration,³⁰ which was denied by the appellate court in an August 9, 2011 Resolution. Hence, the instant Petition.

Issues

The Petition is grounded on the following:

I

THE COURT OF APPEALS ERRED IN UPHOLDING THE TRIAL COURT'S ORDERS APPROVING THE NOTICE OF GARNISHMENT WHICH DEMANDED PAYMENT OF JUST COMPENSATION FOR THE ENTIRE PROPERTY OF RESPONDENTS INSTEAD OF THE AFFECTED PORTIONS ONLY IN ACCORDANCE WITH THE COMPLAINT AND THE TRIAL COURT'S DECISION.

II

THE COURT OF APPEALS ERRED IN UPHOLDING THE ORDER OF THE TRIAL COURT WHICH DENIED PETITIONER'S MOTION FOR RECONSIDERATION IN COMPLETE DISREGARD OF LIBERALITY ENUNCIATED IN SEVERAL DECISIONS OF THIS HONORABLE COURT.³¹

Petitioner's Arguments

In its Petition and Consolidated Reply,³² NPC argues that while there is no dispute as to its liability to respondents, the Sheriff's computation as reflected in the Notice of Garnishment is erroneous in that it is being made to pay for more

²⁹ Id. at 150-151.

³⁰ Id. at 286-309.

³¹ Id. at 41.

³² Id. at 373-387.

than what was adjudged; just compensation should be limited to the value of that portion so taken, and not the entire property of which such portion forms part. It cites cases where the computation and payment of just compensation was limited to the value of the affected portions only.³³ It continues to plead for liberality in respect to its Motion for Reconsideration of the trial court's September 24, 2009 Order, which was denied via the October 23, 2009 Order for lack of the required notice of hearing.

NPC thus prays that the assailed CA dispositions – together with the September 24, 2009 and October 23, 2009 Orders and the May 14, 2009 Notice of Garnishment – be set aside.

Respondents' Arguments

Praying that the Petition be denied for lack of merit, the Santos heirs in their Comment³⁴ restate the assailed CA Decision, and add that while NPC sought a mere right-of-way for its pipelines, the truth is that their property will be rendered useless by the toxic fumes and hazardous substances that could be emitted by such pipelines; that their situation is akin to that of the landowner in the case of *National Power Corporation v. Manubay Agro-Industrial Development Corporation*,³⁵ who was adjudged to be entitled to the full value of the property, and not a mere easement fee; and that NPC cannot claim liberality in the application of the Rule on motions³⁶ because there exist no special or compelling circumstances to warrant the relaxation of the rule, and NPC's failure is the result of fault and negligence on its part, and it has not shown to the satisfaction of the court that it is entitled to leniency.

On the other hand, respondent Tarcelo argues in his Comment³⁷ that there is no inconsistency between the trial court's November 7, 2005 Decision and the June 26, 2007 Decision of the CA in CA-G.R. CV No. 86712 on the one hand, and the trial court's September 24, 2009 and October 23, 2009 Orders and the March 9, 2009 Writ of Execution and May 14, 2009 Notice of Garnishment on the other; that the trial court and the CA treated respondents' properties as a whole or in their entirety in resolving the cases before them; that NPC already knew beforehand that it is being ordered to pay just compensation for the entirety of respondents' properties and not mere portions thereof; and finally, that the trial court correctly denied NPC's Motion for Reconsideration of the September 24, 2009 Order for lack of a notice of hearing.

³³ *National Power Corporation v. Purefoods Corporation*, 586 Phil. 587 (2008); *National Power Corporation v. Bagui*, 590 Phil. 424 (2008); *National Power Corporation v. Tiangco*, 543 Phil. 637 (2007); *National Power Corporation v. Judge Paderanga*, 502 Phil. 722 (2005); and *Republic v. Ker and Company Limited*, 433 Phil. 70 (2002).

³⁴ *Rollo*, pp. 328-354.

³⁵ *Supra* note 25.

³⁶ RULES OF COURT, Rule 15, Sections 4, 5 and 6.

³⁷ *Rollo*, pp. 358-365.

Our Ruling

The Court grants the Petition.

The exercise of the right of eminent domain, whether directly by the State or by its authorized agents, is necessarily in derogation of private rights. It is one of the harshest proceedings known to the law. x x x The authority to condemn is to be strictly construed in favor of the owner and against the condemnor. When the power is granted, the extent to which it may be exercised is limited to the express terms or clear implication of the statute in which the grant is contained.³⁸

Corollarily, it has been held that trial courts should exercise care and circumspection in the resolution of just compensation cases, considering that they involve the expenditure of public funds.³⁹

The above principles were somehow lost on both the trial and appellate courts.

The Commissioners' Reports in Civil Case No. 5785 indicate that only the affected areas were intended to be acquired and compensated. Thus, Commissioner Emelinda C. Atienza's Report contains the following recommendation:

IV. Recommendation

Finding x x x that the valuation established herein was reasonable and fair, the undersigned recommend [sic] that the amount of Php1,120.00 per square meter be adopted to compensate the **affected areas on the properties involve** [sic] in the above subject case.⁴⁰ (Emphasis supplied)

On the other hand, Commissioners Alberto M. Nuique and Eladio R. Taupa's respective Reports uniformly state:

III. RECOMMENDATIONS

It is hereby recommended that only easement fee be made as the payment on the **affected portion** of the above-mentioned parcel of agricultural land which is 10% of the fair market value pursuant to Republic Act 6395 as amended x x x⁴¹ (Emphasis supplied)

The trial court itself particularly decreed in its November 7, 2005 Decision

³⁸ *Jesus is Lord Christian School Foundation, Inc. v. Municipality (now City) of Pasig, Metro Manila*, 503 Phil. 845, 862 (2005).

³⁹ *National Power Corporation v. Diato-Bernal*, G.R. No. 180979, December 15, 2010, 638 SCRA 660, 669.

⁴⁰ *Rollo*, p. 96.

⁴¹ *Id.* at 99, 109.

that only the affected portions of respondents' properties were to be acquired and compensated for. In the decretal portion of its Decision, it thus held as follows:

WHEREFORE, plaintiff National Power Corporation is ordered to pay the defendants the amount of ₱1,000.00 per square meter.

Upon payment of just compensation to the defendants, subject to the deductions of the sums due the Government for unpaid real estate taxes and other imposts, **the plaintiff shall have a lawful right to enter, take possession and acquire easement of right-of-way over the portions of the properties** together with the improvements sought to be expropriated for the purpose stated, free from any and all liens and encumbrances.⁴² (Emphasis and underscoring supplied)

The CA therefore patently erred in declaring in its assailed Decision that there is nothing in the November 7, 2005 Decision of the Batangas City RTC to indicate that NPC was being ordered to pay just compensation only for the 1,595.91-square meter portion of respondents' properties. On the contrary, the evidence is quite clear that NPC has been made liable precisely to such extent only, and not more.

The Court likewise observes that contrary to the CA's appreciation, the June 26, 2007 Decision in CA-G.R. CV No. 86712 did not particularly declare that NPC should pay for the **entire** area of respondents' properties. It merely stated that respondents should be compensated for the full and fair market value of their property and not merely paid a 10% easement fee therefor; it did not resolve the issue of whether NPC should pay just compensation for the entire area of 7,015 square meters. It simply said that NPC should pay for the full per-square meter value of the affected portions, and not just a fraction thereof (or 10%). There could be no other interpretation of the June 26, 2007 pronouncement in CA-G.R. CV No. 86712 when the CA stated therein that –

At bar, it cannot be gainsaid that the construction of underground pipeline is a simple case of mere passage of gas pipeline. It will surely cause damage and prejudice to the agricultural potentials of appellees' property. Deep excavation will have to be done whereby plants and trees will be uprooted. A possible leakage could certainly do harm and adversely restrict the agricultural and economic activity of the land. This is not to mention that it will create an environmental health hazard dangerous to the occupant's life and limb.

Hence, defendants-appellees are entitled for (sic) just compensation to (sic) the **full** market value of their property not just ten percent (10%) of it.

X X X X

Taking all the consideration [sic] of the subject property, Commissioners

⁴² Id. at 113.

Taupa and Nuique placed the value of the property at ₱475.00 per square meter based on the Land Bank valuation and Cuervo Appraisers, Inc. and the Provincial/City Appraisal Committees of Batangas, Laguna and Lipa City, while Commissioner Atienza valued the property at ₱1,120 per square meter, based on the average value per findings of the Committee composed of the City Assessor, City Treasurer, City Engineer under Resolution No. 9-99 dated June 18, 1999 that the subject property will cost ₱1,000.00 to ₱1,300.00 per square meter, and the opinion value of her Team's survey and Report which revealed that the prevailing price of agricultural land in Tabangao-Ambulong, Batangas City is NINE HUNDRED THIRTY PESOS (₱930.00) per square meter.⁴³ (Emphasis in the original; underscoring supplied)

NPC is thus correct in its observation that the issue of whether it should be made to pay for the whole 7,015-square meter area was not at all raised. Besides, in arriving at its judgment, the CA took into full consideration the Commissioners' Reports, which recommended the payment of just compensation only for the affected portions of respondents' properties; if it believed otherwise, the appellate court would have so indicated, and it would have taken exception to the said reports and arrived at its own independent consideration of the case.

It has always been the rule that "[t]he only portion of the decision that may be the subject of execution is that which is ordained or decreed in the dispositive portion. Whatever may be found in the body of the decision can only be considered as part of the reasons or conclusions of the court and serve only as guides to determine the *ratio decidendi*."⁴⁴ "[W]here there is a conflict between the dispositive portion of the decision and the body thereof, the dispositive portion controls irrespective of what appears in the body of the decision. While the body of the decision, order or resolution might create some ambiguity in the manner of the court's reasoning preponderates, it is the dispositive portion thereof that finally invests rights upon the parties, sets conditions for the exercise of those rights, and imposes corresponding duties or obligation."⁴⁵ Thus, with the decretal portion of the trial court's November 7, 2005 Decision particularly stating that NPC shall have the lawful right to enter, take possession and acquire easement of right-of-way over the affected portions of respondents' properties upon the payment of just compensation, any order executing the trial court's Decision should be based on such dispositive portion. "An order of execution is based on the disposition, not on the body, of the decision."⁴⁶

Execution must therefore conform to that ordained or decreed in the dispositive part of the decision.⁴⁷ Since there is a disparity between the dispositive portion of the trial court's November 7, 2005 Decision as affirmed with modification by the final and executory June 26, 2007 Decision of the CA in CA-

⁴³ Id. at 120-121.

⁴⁴ *National Power Corporation v. Alonzo-Legasto*, supra note 1.

⁴⁵ *Florentino v. Rivera*, 515 Phil. 494, 503 (2006).

⁴⁶ *PH Credit Corporation v. Court of Appeals*, 421 Phil. 821, 825 (2001).

⁴⁷ *Solidbank Corporation v. Court of Appeals*, 428 Phil. 949, 958 (2002).

G.R. CV No. 86712 – which decreed that respondents be paid just compensation only for the **affected portions** of their properties, totaling **1,595.91 square meters** – and the Notice of Garnishment – for the satisfaction of the amount of ₱5,594,462.50 representing just compensation for the **whole 7,015 square meters** – the latter must be declared null and void.

It is a settled general principle that a writ of execution must conform substantially to every essential particular of the judgment promulgated. Execution not in harmony with the judgment is bereft of validity. It must conform, more particularly, to that ordained or decreed in the dispositive portion of the decision.⁴⁸

In the same manner, the Batangas City RTC's September 24, 2009 and October 23, 2009 Orders are hereby declared null and void in regard only to the Notice of Garnishment, as it countermands the decretal portion of the November 7, 2005 Decision and completely changes the tenor thereof by holding NPC liable to pay for the value of the whole of respondents' properties; all proceedings held for the purpose of amending or altering the dispositive portion of the trial court's November 7, 2005 Decision, as affirmed with modification by the CA's final and executory June 26, 2007 Decision in CA-G.R. CV No. 86712, are null and void for lack of jurisdiction. This is exactly what the Court said in one case:

Moreover, petitioner is correct in saying that impleading her for the purpose of execution is tantamount to modifying a decision that had long become final and executory. The *fallo* of the 1997 Decision by the NLRC only held "respondents Pro Agency Manila Inc., and Abdul Rahman Al Mahwes to jointly and severally pay complainants x x x." By holding her liable despite not being ordained as such by the decision, both the CA and NLRC violated the doctrine on immutability of judgments.

In *PH Credit Corporation v. Court of Appeals*, we stressed that "respondent's [petitioner's] obligation is based on the judgment rendered by the trial court. The dispositive portion or the *fallo* is its decisive resolution and is thus the subject of execution. x x x. Hence the execution must conform with that which is ordained or decreed in the dispositive portion of the decision."

In *INIMACO v. NLRC*, we also held thus:

None of the parties in the case before the Labor Arbiter appealed the Decision dated March 10, 1987, hence the same became final and executory. It was, therefore, removed from the jurisdiction of the Labor Arbiter or the NLRC to further alter or amend it. **Thus, the proceedings held for the purpose of amending or altering the dispositive portion of the said decision are null and void for lack of jurisdiction.** Also, the Alias Writ of Execution is null and void because it varied the tenor of the judgment in that it sought to enforce the final judgment against "Antonio Gonzales/Industrial Management

⁴⁸ Id. at 957-958.

Development Corp. (INIMACO) and/or Filipinas Carbon and Mining Corp. and Gerardo Sicat, which makes the liability solidary.

In other words, “[o]nce a decision or order becomes final and executory, it is removed from the power or jurisdiction of the court which rendered it to further alter or amend it. It thereby becomes immutable and unalterable and any amendment or alteration which substantially affects a final and executory judgment is null and void for lack of jurisdiction, including the entire proceedings held for that purpose. An order of execution which varies the tenor of the judgment or exceeds the terms thereof is a nullity.”⁴⁹ (Emphasis supplied)

The failure of NPC to include a notice of hearing in its Motion for Reconsideration of the trial court’s September 24, 2009 Order has been rendered irrelevant considering our pronouncement that the said Order is null and void on the matter covering the Notice of Garnishment. “A void judgment or order has no legal and binding effect, force or efficacy for any purpose. In contemplation of law, it is non-existent. Such judgment or order may be resisted in any action or proceeding whenever it is involved. It is not even necessary to take any steps to vacate or avoid a void judgment or final order; it may simply be ignored.”⁵⁰

WHEREFORE, the Petition is **GRANTED**. Judgment is hereby rendered as follows:

1. The January 20, 2011 Decision and August 9, 2011 Resolution of the Court of Appeals in CA-G.R. SP No. 112054 are **PARTIALLY REVERSED** and **SET ASIDE**;
2. The September 24, 2009 and October 23, 2009 Orders of the Regional Trial Court of Batangas City, Branch VII in Civil Case No. 5785 are declared **NULL and VOID IN PART**, in that the Notice of Garnishment is nullified and set aside;
3. Petitioner National Power Corporation is adjudged liable to **PAY JUST COMPENSATION** to respondents Felicisimo Tarcelo and the Heirs of Comia Santos for the affected portions of their respective properties totaling 1,595.91 square meters, at ₱797.50 per square meter, subject to interest at the rate of twelve per cent (12%) *per annum* from July 29, 2002 up to June 30, 2013, and thereafter, six percent (6%) *per annum* from July 1, 2013 until full satisfaction, pursuant to *Bangko Sentral ng Pilipinas*-Monetary Board Circular No. 799, Series of 2013 and applicable jurisprudence;

⁴⁹ *Gagui v. Dejero*, G.R. No. 196036, October 23, 2013.

⁵⁰ *Land Bank of the Philippines v. Orilla*, G.R. No. 194168, February 13, 2013, 690 SCRA 610, 618-619.

4. Petitioner National Power Corporation is **DIRECTED** to pay the Commissioners' Fees as set forth in the November 7, 2005 Decision of the Regional Trial Court of Batangas City, Branch VII in Civil Case No. 5785.

SO ORDERED.


MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Associate Justice
Chairperson


ARTURO D. BRION
Associate Justice


MARTIN S. VILLARAMA, JR.
Associate Justice


MARVIC MARIO VICTOR F. LEONEN
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

**ANTONIO T. CARPIO**

Associate Justice
Acting Chief Justice

