

SECOND DIVISION

[G.R. No. 225141, September 26, 2016]

ENERGY REGULATORY COMMISSION, PETITIONER, VS. HON. GREGORIO L. VEGA, JR., PRESIDING JUDGE, REGIONAL TRIAL COURT, BRANCH 157, PASIG CITY, AND MANILA ELECTRIC COMPANY, RESPONDENTS.

RESOLUTION

BRION, J.:**

We resolve to **partially grant** Energy Regulatory Commission's (*ERC*) application for injunctive relief and at the same time allow the Regional Trial Court (*RTC*) to proceed with the principal case of declaratory relief (Special Civil Action No. 4149-PSG). We thus issue: a) a **preliminary mandatory injunction** directing the RTC to **vacate/suspend** its order dated June 13, 2016, granting Meralco's application for a writ of **preliminary injunction**; and b) a preliminary injunction ordering the RTC to **refrain** from issuing further orders and resolutions tending to enjoin the implementation of Republic Act No. 9136, otherwise known as the Electric Power Industry Reform Act of 2001 (*EPIRA*).

To summarize the basis for these rulings, we hold that the RTC properly exercised its jurisdiction over Meralco's petition for declaratory relief, but the trial court committed grave abuse of discretion when it issued: a) a 20-day Temporary Restraining Order (*TRO*) in its order dated June 13, 2016, and subsequently, b) a writ of preliminary injunction in its order dated July 13, 2016.

BACKGROUND

The present case originated from a **petition for declaratory relief** filed before the RTC, Branch 157, Pasig City docketed as Special Civil Action No. 4149-PSG.

In this petition, Manila Electric Company (*Meralco*) sought to declare null and void selected issuances by the Department of Energy (DOE) and the ERC related to the Retail Competition and Open Access (*RCOA*) provision of the *EPIRA*.

Meralco's petition included an **ancillary prayer** for the issuance of a *TRO* and/or a writ of preliminary injunction to enjoin the implementation of the DOE/ERC issuances.

On June 13, 2016, the RTC issued an order granting Meralco's prayer and ordering the issuance of a 20-day *TRO* in its favor.

The ERC then filed the present petition before us assailing the RTC's June 13, 2016 order. ERC also prayed for injunctive relief to enjoin the RTC from: a) continuing its proceedings in Special Civil Action No. 4149-PSG, and b) issuing orders, resolutions,

and decisions rendered in Special Civil Action No. 4149-PSG, until the present petition is finally resolved.

On September 14, 2016, we required Meralco to **comment** on the ERC's petition for *certiorari*, and subsequently ruled that although the RTC properly exercised jurisdiction over the petition for declaratory relief, **it committed grave abuse of discretion when it issued the 20-day TRO**. Thus, the TRO was null and void. Despite this ruling, **we did not expressly lift the TRO as the lifting was no longer needed**: the **issue of its validity had already become moot**, the TRO having expired on July 6, 2016.

MANIFESTATION WITH URGENT MOTION

On September 13, 2016, the ERC filed a **Manifestation with Urgent Motion for Resolution of ERC's Application for a Provisional Injunctive Writ** (*Manifestation with Urgent Motion*) where it states that since the expiration of the 20-day TRO, **the RTC has issued another order dated July 13, 2016 granting Meralco's application for a writ of preliminary injunction**.

The ERC reiterates its prayer for injunctive relief: a) to enjoin the RTC from continuing the proceedings in Special Civil Action No. 4149-PSG, and b) to suspend all orders and resolutions rendered in the said case until we resolve the present petition.

OUR RULING

At the outset, we clarify that in Special Civil Action No. 4149-PSG, the RTC exercised its jurisdiction over two matters, *viz*: **a)** the petition for declaratory relief, and **b)** the ancillary prayer for the issuance of a TRO and/or writ of preliminary injunction. It then eventually issued a 20-day TRO and set the hearing for the application for writ of preliminary injunction. **I discuss these two matters separately below.**

We reiterate that the RTC's exercise of jurisdiction over the petition for declaratory relief is proper as this is a matter that expressly falls under its jurisdiction.^[1] Section 1, Rule 63 of the Rules of Court furthermore is clear that the RTC has jurisdiction over petitions for declaratory relief, *i.e.*, over the present petition. **However, it does not have jurisdiction to issue any order or resolution enjoining the DOE/ERC issuances relating to the EPIRA.**

In a Rule 65 petition, the petitioner has the burden to show that there is meritorious ground for the issuance of a TRO or writ of preliminary injunction for the purpose of suspending the proceedings before the public respondent. The petitioner must show that an urgent necessity exists requiring injunctive relief to prevent serious damage.

^[2]

In its petition for *certiorari*, the ERC's prayer for injunctive relief was based on an alleged **violation of its right to due process**, which, in turn, was based on the following: a) defect in the notice of raffle/service of summons; b) failure of RTC to give ample time for the ERC/DOE to prepare for the hearing; c) the RTC's failure to consider all arguments raised; and d) prejudging the case.