

THIRD DIVISION

[G.R. No. 108301, July 11, 2001]

MANILA ELECTRIC COMPANY, PETITIONER, VS. COURT OF APPEALS AND METRO CONCAST STEEL CORPORATION, RESPONDENTS.

[G.R. No. 132539]

METRO CONCAST STEEL CORPORATION, PETITIONER, VS. MANILA ELECTRIC COMPANY, RESPONDENT.

DECISION

PANGANIBAN, J.:

Basic is the general rule that the factual findings of the Court of Appeals (CA) affirming those of the trial court are binding on this Court. A factual review, however, may be proper in case such appellate findings reverse those of the court below. In the present case we hold that the CA committed no reversible error in differing from the findings of fact of the regional trial court (RTC).

Statement of the Case

Before this Court are two consolidated Petitions for Review on Certiorari under Rule 45 of the Rules of Court. The Petition in GR No. 108301^[1] (henceforth referred to as the "First Case"), filed by the Manila Electric Company (Meralco), seeks the reversal of the October 16, 1992 Decision^[2] of the Court of Appeals^[3] in CA-GR CV No. 32287 and the December 21, 1992 CA Resolution^[4] denying reconsideration. The dispositive portion of the assailed Decision reads as follows:

"WHEREFORE, the decision appealed from is hereby MODIFIED by deleting therefrom the award of P50,000.00 as attorney's fees in favor of the appellee, but is AFFIRMED in all other respects. Costs against the appellant."^[5]

The Petition^[6] in GR No. 132539 (henceforth referred to as the "Second Case"), filed by Metro Concast Steel Corporation, challenges the June 30, 1997 Decision^[7] of the Court of Appeals^[8] in CA-GR CV No. 45933 and the subsequent CA Resolution^[9] dated January 28, 1998 denying reconsideration. The dispositive portion of the Decision reads thus:

"WHEREFORE, the decision appealed from being against the law and unsupported by, if not contrary to, the evidence on record, is hereby REVERSED and the complaint is ordered DISMISSED.

Consequently, plaintiff-appellee Metro Concast is ordered to pay to

defendant-appellant MERALCO, on its counterclaim, (a) the amount of P44,470,441.22 with legal interest thereon from the date of defendant-appellant's demand until said amount is fully paid; (b) attorney's fees and litigation expenses in the amount of P100,000.00; and, (c) the costs. The writ of preliminary injunction issued on 31 July 1987 is likewise ordered dissolved."^[10]

The Facts

GR No. 108301

The facts in the First Case are summarized by the Court of Appeals as follows:

"The records show that on October 19, 1987, appellee Metro Concast Steel Corporation (hereinafter referred to as Concast for brevity) filed with the court a quo a complaint for injunction docketed therein as Civil Case No. 55158 alleging among others that:

`The defendant is a utility company supplying electricity in the Metro Manila area;

`That the plaintiff is a consumer of electric current supplied by the defendant under the letter's Account No. 09489-2122-18 with Meter No. 41 GW 12 installed at the plaintiff's plant at Barangay Lawang Bato, Valenzuela, Metro Manila;

`That the plaintiff has been religiously paying the regular monthly [bills] for its electric consumption and even up to the present has never been delinquent in the payment of its electric consumption;

`That on or about October 15, 1987, the plaintiff received from the defendant a letter dated October 5, 1987, Annex `A' hereof, demanding payment of P6,753,192.85 representing the value of electric current, allegedly `used but not registered in the meter';

`That in the letter, Annex `A' hereof, the defendant has threatened to disconnect its electric service to the plaintiff if the latter should fail to pay the sum demanded therein within three (3) days from receipt of such letter;

`That owing to the very short notice granted to the plaintiff and the astronomical amount demanded from it, the plaintiff has no reasonable chance and opportunity to verify and/or otherwise dispute such demand and the astronomical amount demanded [--] along with the allegation that electric current had been used without having been registered in the meter [-] without being under the threat of disconnection of its electrical service;

`That the plaintiff is engaged in steel manufacturing and its

plant is heavily dependent upon the electric supply from the defendant for its daily operation and the threatened disconnection of electric supply to the plaintiff which has already become very imminent will cause it great and irreparable damage and injury as not only will its various machinery for steel making and processing will grind to a halt, but various ingredients in the steel making process stand to be spoiled and the steel making process itself will be ruined; not to mention the fact that the plaintiff will be needlessly exposed to public ridicule on account of a contested billing by the defendant;

`That to allow the defendant to disconnect the supply of electricity to the plaintiff's steel making plant for the purpose of compelling it to pay the defendant's contested electric billing, despite the fact that the plaintiff is up to date in the payment of the defendant's regular billings and is not delinquent, is to abandon not just the plaintiff but the whole consuming public as well to the mercy of the defendant whose arbitrariness should not be allowed to go on a rampage unchecked;

`That the plaintiff has absolutely no knowledge at all of or participation in the alleged defect of or tampering with its installation mentioned [in] the said letter, Annex `A' hereof;

`That as a consequence of the defendant's threatened action to cut off the electric supply to the plaintiff's steel making plant, the plaintiff has been constrained to institute the present action to defend itself from the evidently strong-arm tactics of the defendant, and thus incur expenses and attorney's fees in the sum of P50,000.00'

and praying that judgment be rendered:

`1. IMMEDIATELY ENJOINING the defendant and all persons acting for and [o]n its behalf from discontinuing and/or disconnecting the supply of electricity to the plaintiff's steel manufacturing plant at Barangay Lawang Bato, Valenzuela, Metro Manila;

`2. AFTER TRIAL, making the injunction above-mentioned permanent, ordering the defendant and all persons acting for and [o]n its behalf to refrain from discontinuing and/or disconnecting the said supply of electric curre[n]t;

`3. ORDERING the defendant to pay the plaintiff the sum of P50,000.00 for and as attorney's fees; and

`4. ORDERING the defendant to pay the costs of litigation;

` PLAINTIFF in the meantime urgently prays of this Honorable

Court that a temporary restraining order be immediately issued against the defendant and against all parties under its direct supervision and control for them to cease and desist from discontinuing and/or disconnecting the supply of electricity to the plaintiff's steel manufacturing plant at Barangay Lawang Bato, Valenzuela, Metro Manila.

` PLAINTIFF likewise prays for such other and further remedy as may be just and equitable under the premises.'

On the same date, the Court a quo issued a temporary restraining order in an order which reads as follows:

` Before this Court is a Petition for Injunction with prayer for issuance of a restraining order filed by petitioner thru its counsel, Atty. Fregillana, Jr., D.D., against the defendant, Manila Electric Company.

` Acting on the prayer for issuance of a restraining order, x x x the Court, after considering the verified petition and the allegations in support of the prayer for [a] restraining order, [deems them] to be sufficient in form and substance[;] and without necessarily implying that petitioner has a clear legal right to the reliefs prayed for, but solely to preserve the status quo of the parties until after the prayer for a writ of preliminary injunction shall have been heard and resolved, x x x [the Court is issuing] a temporary restraining order x x x for a period of twenty (20) days, enjoining the party-defendant and all persons acting for and [o]n its behalf from discontinuing and/or disconnecting the supply of electricity to the plaintiff's steel manufacturing plant at Barangay Lawang Bato, Valenzuela, Metro Manila, until further orders from this Court.

` Let [a] copy of this Order as well as copies of the complaint, its annexes and summons be served by the Process Server of this Court, Mr. Felix de Belen, upon the defendant, who [is] hereby directed to appear before this Court on October 29, 1987 at 2:00 o'clock in the afternoon, to show cause why the writ of preliminary injunction prayed for should not be granted.

SO ORDERED.'

"On October 23, 1987, defendant Manila Electric Company filed its Answer with compulsory counterclaim and opposition to pray for preliminary injunction to which a Reply and [an] Answer to counterclaim was filed by plaintiff on November 2, 1987.

"In the meantime, the court a quo conducted hearings on plaintiff's prayer for a writ of preliminary injunction on October 29, 1987 and on November 2, 1987. Plaintiff filed its formal offer of exhibits on November 2, 1987 while defendant filed its offer of evidence on November 3, 1987.

After both parties simultaneously filed their respective memoranda on November 4, 1987, the court a quo issued an order granting plaintiff's application for a writ of preliminary injunction, the decretal portion of which reads;

`WHEREFORE, petitioner/plaintiff's application for the issuance of the writ of preliminary injunction is GRANTED, conditioned upon the filing of a bond in the amount of P100,000.00 approved by this Court issued in favor of defendant MERALCO to answer for whatever damages that the defendant may suffer and sustain if it is later on found out, after final determination of this case[,] that the petitioner/plaintiff is not entitled thereto.

`Upon compliance there[with], let the writ of preliminary injunction be issued directing the defendant MERALCO, its agents, representatives or employees acting [on] its behalf to cease and desist and refrain from disconnecting the electric supplies and services to the petitioner/plaintiff at its premises, METRO CONCAST STELL CORPORATION located at Barangay Lawang Bato, Valenzuela, Metro Manila, until further order from this Court.

SO ORDERED.'

"After the plaintiff presented its bond for P100,000.00 pursuant to the aforecited order, a writ of preliminary injunction was issued on Nov. 6, 1987.

"During the pre-trial conference held on February 9, 1988, both counsels manifested that the parties [could] not arrive at an amicable settlement[;] hence both jointly moved for the termination of the pre-trial conference in view of which the court a quo required both counsels to file their respective pre-trial briefs within fifteen (15) days. The trial briefs were filed by plaintiff and defendant on February 23, 1988 and February 24, 1988 respectively, after which the case was set for trial."

[11]

After trial on the merits, the RTC rendered its Decision dated April 11, 1991, the dispositive portion of which reads:

"WHEREFORE, judgment is hereby rendered in favor of plaintiff and against defendant making the preliminary injunction permanent and, ordering defendant to pay plaintiff the sum of P50,000.00 for and as attorney's fees.

"Costs against defendant.

"SO ORDERED."

GR No. 132539

The facts in the Second Case are narrated by the Court of Appeals as follows: