

Republic of the Philippines
ENERGY REGULATORY COMMISSION
San Miguel Avenue, Pasig City

PAULINA T. RELLETA,
Complainant,



- versus -

ERC CASE NO. 2007-446CC

MANILA ELECTRIC COMPANY
(MERALCO),

Respondent.

x ----- x

DOCKETED

Date: **DEC 16 2008**

By: _____

DECISION

Before this Commission for resolution is the verified complaint filed on September 20, 2007 by Paulina T. Relleta against Manila Electric Company (MERALCO) for the latter's refusal to provide electric service to the former.

FACTS OF THE CASE

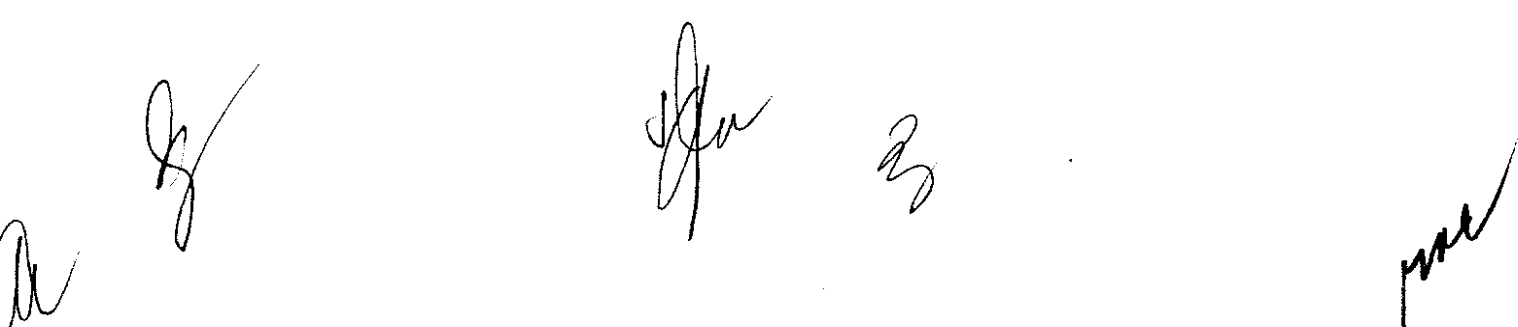
Complainant is the actual user of respondent's electric meter service under Service Identification Number (SIN) 542723701-2 registered in the name of Claudia Estel.

On November 18, 2006, complainant's electric service was disconnected by the respondent due to non-payment of her monthly electric bill (September 11, 2006 to October 12, 2006). The said bill was subsequently paid by the complainant. Despite such payment, respondent did not reconnect her electric service but instead advised complainant to apply for new electric service connection considering that the previous account was in the name of a certain Claudia Estel and the same was already terminated.

On November 23, 2006, complainant paid the required bill deposit and signed the contract for electric service. After completion of all the requirements, the subject premise was inspected on November 30, 2006 and the inspectors found it feasible for electric connection. Complainant followed-up her application to the Novaliches Branch and was informed by the Branch Manager and Engineer that her application for electric service was denied because the subject premise was allegedly under litigation.

Hence, the instant case was filed.

The Commission, acting on the said complaint, issued several Orders setting this case for pre-hearing conference for the parties to arrive at a possible settlement but to no avail.

The bottom of the page contains several handwritten signatures and initials. From left to right, there is a signature that appears to be 'A', followed by a signature that looks like 'S', then a signature that looks like 'H', followed by the initials 'B', and finally a signature that looks like 'me'.

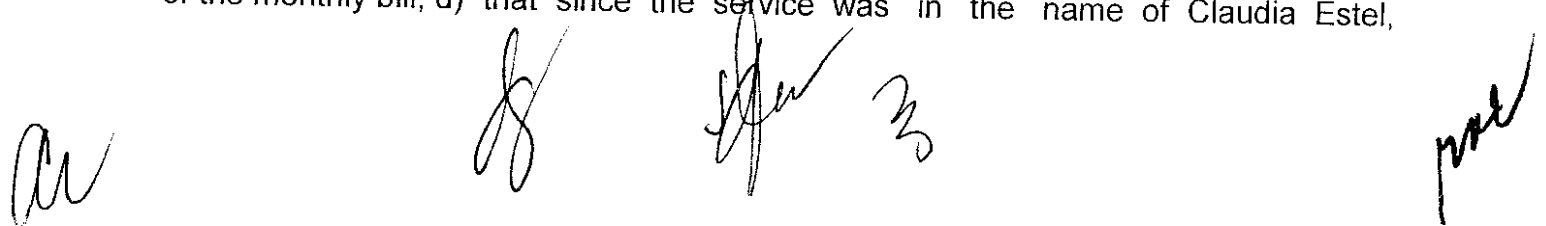
During the hearing on December 5, 2007, parties agreed to forego the conduct of a pre-trial hearing and instead, just filed their respective memoranda considering that the case falls under summary procedure. Thereafter, respondent was given five (5) days to come up with its proposal on the matter. Parties were also given thirty (30) days to submit their respective memoranda.

On December 19, 2007, complainant filed an "Urgent Motion for the Provisional Connection of Electric Power".

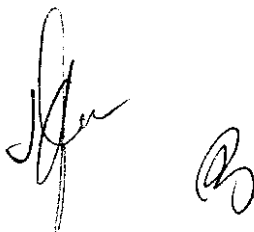
Several Orders were issued by the Commission directing respondent to comment on the instant complaint and on the aforesaid motion.

On February 14, 2008, respondent filed its "Comment to Urgent Motion for the Provisional Connection of Electric Power Dated December 19, 2007 and to Complaint Dated September 19, 2007".

In the said comment, respondent stated, among other things: a) that as to the "Urgent Motion for the Provisional Connection of Electric Power", it must be noted that the case is still pending with the Commission and to grant complainant's request for the provisional connection is tantamount to resolving the instant case in favor of the complainant and granting her relief without going through the proper proceedings; b) that the very issue to be resolved in the instant case is about the connection of service of the complainant, thus, it would be proper and just that the said issue be resolved first without going through a shortcut by filing motions such as this; c) that there was no improvident disconnection since the service was disconnected due to non-payment of the monthly bill; d) that since the service was in the name of Claudia Estel,

The bottom of the page features several handwritten signatures in black ink. From left to right, there is a signature that appears to be 'AR', followed by a signature that looks like 'JG', then a signature that appears to be 'SHE' with a flourish, and finally a signature that looks like 'me'.

complainant being the user was required to have the service be placed in her name; e) that all the requirements, like the application for service, inspection on the feasibility for reconnection, etc. were made and complied with except for the submission of proof of ownership of the property where the service is located; f) that the complainant claimed that the property is owned by her as shown by the TCT No. RT-116652; g) that there is an annotation thereon that the same is mortgaged in favor of Macario Bautista and there appears to be no cancellation yet of the same; h) that there is obviously an issue on the ownership of the property, which clearly affects the application for connection of service of the complainant; i) that Article 6 of the Magna Carta for Residential Electricity Consumers requires that if the consumer is not the owner of the premises, he/she will be required to submit an undertaking from the owner of the premises that the said owner shall be jointly and severally liable with the applicant for unpaid bills; j) that the complainant failed and still fails until now to present substantial evidence to prove that she is still the owner thereof; k) that the complainant has not proven that the mortgage has not yet been foreclosed and the property not sold at public auction in favor of the mortgagee or third person; l) that it has no ill-motive in not giving supply of electricity to complainant and it is willing to connect the service as long as it is convinced that Article 6 of the said Magna Carta is fully complied with by the complainant; m) that as per the previous manifestation made by its counsel during the hearings, it is very much interested and willing to have the instant case amicably settled and it is in the process of making its own verification as to the status of the said mortgage and the title of the complainant; and n) that if it would turn out later upon verification that its findings would favor the complainant, there would be no basis then to hold the processing of connection of service.



On March 31, 2008, complainant filed her "Memorandum".

On April 24, 2008, respondent filed its "Motion as to Amicable Settlement of this Case with Manifestation" praying that an Order be issued requiring the parties to come to terms and sign whatever appropriate document to have the case amicably settled or dismissed.

On May 8, 2008, complainant filed her comment on the said motion.

On May 13, 2008, the Commission, acting on the said motion, issued an Order setting the case for conference on June 11, 2008.

During the June 11, 2008 conference, only the counsel for complainant appeared and moved for the resolution of this case. The said motion was granted.

DISCUSSION

Paragraph 1 of Article 6 of the Magna Carta for Residential Electricity Consumers, provides that:

"Article 6. Right to Electric Service. – A consumer has the right to be connected to a distribution utility for electric power service after the consumer's full compliance with the distribution utility's and local government unit's (LGU) requirements.

x x x x



In this regard, the Commission finds no justification for respondent to refuse and deny the application for electric service of the complainant. Among the basic requirements of respondent in granting the said service is proof of ownership on the property. Records show the existence of a Title in the name of the complainant, subject, however, to an encumbrance by way of a mortgage.

It cannot be gainsaid that complainant had already been divested of ownership on the subject property by the mere presence or existence of a mortgage lien on the property. While the Title with Transfer Certificate of Title (TCT) No. RT-116652 (365578) of the Registry of Deeds of Quezon City remains in the name of the complainant, ownership stands infallibly with the complainant. Encumbrance on the property is subordinate to the rights of complainant who remains and still holds unmistakable ownership of the property.

The encumbrance of the subject property to secure an obligation does not result to loss of ownership or even cancellation of title, especially when there is not even a slight showing that ownership on the subject property might have been transferred by any legal means to a subsequent person or the said title has been shown to be cancelled. Title to a property is the highest form of evidence of ownership which under **Presidential Decree 1529 (P.D. 1529)** is not affected by any form of dealings less than ownership as mortgage. This is true in mortgages contemplated in **Section 60** of **P.D. 1529** which prescribes the manner and treats such interest as less than ownership.




In the case of **Villanueva vs. Court of Appeals (198 SCRA 472)**, it was held that a Torrens Certificate of Title is the best evidence of ownership over registered land.

WHEREFORE, in view of the foregoing, the Commission finds that the Manila Electric Company (MERALCO) has no valid justification to deny complainant Paulita T. Relleta's application for electric service connection and is, thus, hereby directed to accept complainant's Transfer Certificate of Title (TCT) as sufficient proof of ownership and to immediately process her application for electric service connection after her submission thereof and her compliance with its other requirements for connection of service.

SO ORDERED.


Pasig City, November 24, 2008.


ZENAIDA G. CRUZ-DUCUT
Chairperson


RAUF A. TAN
Commissioner


ALEJANDRO Z. BARIN
Commissioner


MARIA TERESA A. R. CASTAÑEDA
Commissioner


JOSE C. REYES
Commissioner

Copy furnished:

1. MERALCO
Legal Department
Ortigas Avenue, Pasig City

2. PAULINA T. RELLETA
575 Quirino Highway, Bagbag
San Bartolome, Novaliches
Quezon City

3. ATTY. JONATHAN S. PRESQUITO
Fabtech Bldg., Quezon Ave.
Quezon City