



CERTIFIED TRUE COPY
Wilfredo V. Lapitan
WILFREDO V. LAPITAN
 Division Clerk of Court
 Third Division

Republic of the Philippines
Supreme Court
 Manila

MAR 09 2018

THIRD DIVISION

**VISAYAN ELECTRIC COMPANY, G.R. No. 209910
 INC.,**

Petitioner,

Present:

VELASCO, JR., *J.*, Chairperson,
 BERSAMIN,
 LEONEN,
 MARTIRES, and
 GESMUNDO,* *JJ.*

-versus-

**EMILIO G. ALFECHÉ, GILBERT
 ALFECHÉ, EMMANUEL
 MANUGAS, AND M. LHUILLIER
 PAWNSHOP AND JEWELRY,**
 Respondents.

Promulgated:

November 29, 2017

Wilfredo V. Lapitan

X-----X

DECISION

LEONEN, *J.*:

An electric distribution company is a public utility presumed to have the necessary expertise and resources to enable a safe and effective installation of its facilities. Absent an indication of fault or negligence by other actors, it is exclusively liable for fires and other damages caused by its haphazardly installed posts and wires.

This resolves a Petition for Review on Certiorari¹ under Rule 45 of the 1997 Rules of Civil Procedure praying that the assailed Court of Appeals

* On leave.

¹ *Rollo*, pp. 11-41.

October 25, 2012 Decision² and October 8, 2013 Resolution³ in CA-G.R. CV No. 02583 be reversed and set aside.

The assailed Court of Appeals October 25, 2012 Decision reversed the January 4, 2006 Decision⁴ of Branch 11, Regional Trial Court, Cebu City in Civil Case No. CEB-23694, which found herein respondent M. Lhuillier Pawnshop and Jewelry (M. Lhuillier) negligent and liable for the fire which burned down the properties of Emilio G. Alfeche (Emilio), Gilbert Alfeche (Gilbert), and Emmanuel Manugas (Manugas). The Court of Appeals reversed the trial court decision and found herein petitioner Visayan Electric Company, Inc. (VECO) liable in M. Lhuillier's stead.

The assailed Court of Appeals October 8, 2013 Resolution denied VECO's Motion for Reconsideration.⁵

On the night of January 6, 1998, a fire broke out at 11th Street, South Poblacion, San Fernando, Cebu, which burned down the house and store of respondent Emilio and his son, respondent Gilbert (the Alfeches),⁶ and the adjacent watch repair shop owned by respondent Manugas.⁷ It was alleged that the cause of the fire was the constant abrasion of VECO's electric wire with M. Lhuillier's signboard.⁸

The next day, the Alfeches and Manugas reported the incident to the police⁹ and to the Sangguniang Bayan of San Fernando.¹⁰ Upon Emilio, Gilbert, and Manugas' request for site inspection, the Sangguniang Bayan of San Fernando eventually passed Resolution No. 12 requesting VECO to inspect the area and to repair faulty wires. The Alfeches and Manugas sent a letter to the management of VECO asking for financial assistance, which VECO denied. VECO asserted that the fire was due, not to its fault, but to that of M. Lhuillier.¹¹

As their initial claim for financial assistance was not satisfied, the Alfeches and Manugas filed a Complaint for Damages against VECO and M. Lhuillier before the Regional Trial Court of Cebu City.¹²

² Id. at 55–77. The Decision was penned by Associate Justice Carmelita Salandanan Manahan and concurred in by Executive Justice Pampio A. Abarintos and Associate Justice Maria Elisa Sempio Diy of the Special Twentieth Division, Court of Appeals, Cebu City.

³ Id. at 93–96. The Resolution was penned by Associate Justice Carmelita Salandanan Manahan and concurred in by Associate Justices Pampio A. Abarintos and Maria Elisa Sempio Diy of the Former Special Twentieth Division, Court of Appeals, Cebu City.

⁴ Id. at 42–53. The Decision was penned by Acting Presiding Judge Gabriel T. Ingles.

⁵ Id. at 78–91.

⁶ Id. at 56–57.

⁷ Id. at 59.

⁸ Id. at 56–57.

⁹ Id. at 59.

¹⁰ Id. at 60.

¹¹ Id.

¹² Id.

During pre-trial, M. Lhuillier admitted that it was the owner of the signboard at its branch in San Fernando, Cebu. M. Lhuillier and VECO admitted that a fire destroyed the Alfeches' and Manugas' properties on January 6, 1998.¹³

The Alfeches and Manugas presented testimonial, documentary, and object evidence. They presented as witnesses Emilio, Manugas, Mignonette Alfeche (Mignonette), and Rodolfo Rabor (Rabor).¹⁴

Emilio testified that between 9:00 p.m. and 10:00 p.m. of January 6, 1998, he was awakened as their house was burning.¹⁵ He went out and saw a cut wire swinging and burning at the top of his roof, about three (3) to four (4) meters away.¹⁶ He explained that his house was also used by his son, Gilbert, as a store for various merchandise such as food, beverages, and feeds. His house adjoined an M. Lhuillier pawnshop, which had a big signboard.¹⁷ Emilio presented a module simulating how the fire broke out in relation to the location of the electric posts and his house.¹⁸ He alleged that VECO posts were transferred to their current location because of a road-widening project. This transfer caused the sagging wire of VECO to constantly touch M. Lhuillier's signboard, which, in turn, led to the breaking and burning of the wire.¹⁹ The burning cut wire went swinging on top of and landed on Emilio's roof; thus, it caused the fire that burned his house.²⁰

Mignonette, the wife of Gilbert, corroborated Emilio's testimony that the fire came from the burning end of the electric wire near M. Lhuillier's signage. She presented pictures showing the location of their store and an electric post near M. Lhuillier's signage.²¹

Rabor testified that while in the highway on his way home, he noticed a spark in the electric line near M. Lhuillier's signboard. He ran towards Emilio's house to warn the Alfeches, but before getting there, the wire had dropped on the roof and caused a fire.²²

Manugas attested that he owned the shop composed of "a small booth with a roof and glass window"²³ beside Emilio's house. This shop was

¹³ Id. at 42.

¹⁴ Id. at 43.

¹⁵ Id.

¹⁶ Id.

¹⁷ Id. at 57.

¹⁸ Id. at 43.

¹⁹ Id.

²⁰ Id. at 57.

²¹ Id. at 44.

²² Id. at 44-45.

²³ Id. at 45.

burned along with his tools, watches, and other equipment. He identified the police blotter stating the extent of the damage.²⁴

VECO countered with testimonies of the following persons, in addition to other documentary and object evidence: Engr. Benedicto Banaag (Engr. Banaag), Engr. Simeon Lauronal (Engr. Lauronal), Candelario L. Melencion (Melencion), Engr. Felipe Constantino (Engr. Constantino), Engr. Edwin Chavez (Engr. Chavez), and Engr. Miguel Ornopia (Engr. Ornopia).

Engr. Banaag, an electrical engineer and a lawyer who had been working with VECO for 35 years,²⁵ testified that VECO sent two (2) superintendents and a general foreman to inspect the site.²⁶ The inspectors found that the cause of the incident was the constant rubbing of the wires of VECO with M. Lhuillier's signage.²⁷ He also stated that M. Lhuillier's signage "was placed long after VECO installed their poles,"²⁸ the relocation of which was made after the fire broke out.²⁹ He claimed that their wirings and installations are in full compliance with the National Building Code and the Philippine Electrical Code, which allowed them to install their poles one half (½) meter inside the road-right-of-way and at least three (3) meters away from any structure.³⁰ According to him, it was M. Lhuillier which violated the National Building Code by placing their signage near their pole, thereby causing the abrasion and the fire.³¹

The Municipal Engineer of San Fernando, Cebu, Engr. Lauronal, averred that there was a road-widening project, which started in September 1997, and an accompanying construction of the drainage system, which commenced on October 6, 1997, in the Alfeches' and Manugas' area.³² Their team asked the mayor to seek the relocation of VECO's posts as these would be affected by the drainage construction. VECO relocated its posts and consequently, its wires moved closer to the signage of M. Lhuillier with a distance of only eight (8) inches between them.³³ He also mentioned that the old location of VECO posts left a hole in the middle of the drainage.³⁴

Melencion, an employee of VECO for 41 years, attested that he knew of the installation of the electric wires in the area.³⁵

²⁴ Id.

²⁵ Id.

²⁶ Id. at 61.

²⁷ Id. at 52-A.

²⁸ Id.

²⁹ Id. at 46.

³⁰ Id. at 45-46.

³¹ Id. at 52.

³² Id. at 63.

³³ Id. at 46.

³⁴ Id. at 70.

³⁵ Id. at 47.

Engr. Constantino, also a VECO employee, testified that sometime in the last week of December, there was a complaint that the voltage in 11th Street, South Poblacion, San Fernando, Cebu was low. Upon inspection, he noticed that VECO's wires near the signage of M. Lhuillier were newly installed. He noted that the wire used in the area was "a No. 4 aluminum standard, secondary system."³⁶

Engr. Chavez was presented by VECO as an expert witness.³⁷ He noted that there were two (2) kinds of secondary systems used by utility companies: the line-to-line system and the line-to-ground system.³⁸ According to him, in a line-to-ground system, if one (1) of its wires was cut off, the flow of electricity would just continue; hence, this system was more likely to cause fire.³⁹

Engr. Ornopia asserted that VECO used the line-to-line system for safety purposes.⁴⁰ Further, he stated that he personally conducted area inspections and that there was no report regarding any irregularity in the signage of M. Lhuillier.⁴¹

M. Lhuillier presented as its witnesses Ernesto G. Solon (Solon), Jose Edgar Camuta (Camuta), Randy Adlawan (Adlawan), and Rolando Baranquil (Baranquil).

Solon verified that he installed the signage of M. Lhuillier and emphasized that it was free from any obstacle upon installation.⁴² He noted that, in every installation, he would consider several factors:

[T]hat the signage would not touch the electrical wirings of VECO, both primary and secondary wires, for safety purposes; that no pipes of [Metropolitan Cebu Water District] would be hit in making a hole; that the primary wires would have a distance of at least two (2) meters from the high tension wires; the secondary wires would not touch the signage and, that the signage [would] not be hit by the passing vehicles.⁴³

Camuta claimed that he won the contract to install M. Lhuillier's signage in 1995. He testified that before installing the signage, they had to ensure that it was "free from any obstacle."⁴⁴

³⁶ Id. at 47.

³⁷ Id.

³⁸ Id. at 49.

³⁹ Id.

⁴⁰ Id.

⁴¹ Id.

⁴² Id. at 50.

⁴³ Id.

⁴⁴ Id.

Adlawan, an M. Lhuillier employee,⁴⁵ held that “[the fire] started at the back of the house at the right portion [and spread] towards the firewall at the left side where the signage of M. Lhuillier was situated.”⁴⁶

The Regional Trial Court ruled that the proximate cause of the injury suffered by the Alfeches and Manugas was the negligence of M. Lhuillier. It noted that based on Engr. Banaag’s testimony, M. Lhuillier installed its signage long after VECO moved its poles.⁴⁷ Thus, it was its negligence in installing and positioning its signage which led to the abrasion of VECO’s power line and, ultimately, the fire.⁴⁸

On appeal, the Court of Appeals reversed the Regional Trial Court decision and found VECO liable in M. Lhuillier’s stead.⁴⁹ The Court of Appeals gave greater credence to the testimonies of Rabor and Engr. Lauronal, considering them to be impartial witnesses.⁵⁰ It noted that the relocation of the posts came before the fire, occasioned by the road widening and drainage projects.⁵¹ Thus, VECO transferred the poles and the lines to a distance of merely eight (8) inches from M. Lhuillier’s signboard. This, in turn, caused the abrasion of power lines and the fire:

These pieces of evidence move this Court to rule that it was VECO, not defendant-appellant M. Lhuillier, which was extremely remiss of its duty to ensure safe and secure transmission lines. It was utterly negligent of VECO to have allowed the transfer of the posts closer to the households without ensuring that they followed the same safety standards they used during the original installation of the posts. It must be emphasized that VECO, as the only electric distribution company in San Fernando, takes full charge and control of all the electric wires installed in the locality. It has the sole power and responsibility to transfer its wires to safe and secured places for all its consumers. However, they undoubtedly failed to observe the reasonable care and caution required of it under the circumstances. Hence, they are negligent.⁵²

The dispositive portion of the assailed Court of Appeals Decision read:

WHEREFORE, the instant appeal is GRANTED. The Decision of the Regional Trial Court Branch 11 of Cebu City dated 04 January 2006 is SET ASIDE and a New One Entered declaring defendant-appellee VISAYAN ELECTRIC COMPANY (VECO) negligent and liable for the damages suffered by the plaintiffs-appellees. The defendant-appellee

⁴⁵ Id. at 65.

⁴⁶ Id. at 51.

⁴⁷ Id. at 52-A-53.

⁴⁸ Id. at 52-A.

⁴⁹ Id. at 69.

⁵⁰ Id.

⁵¹ Id. at 70.

⁵² Id. at 71.

VECO is ordered to pay the plaintiffs-appellees the following as temperate damages, to wit:

1. To Emilio Alfeche, the amount of P185,000.00
2. To Gilbert Alfeche, the amount of P800,000.00
3. To Emmanuel Manugas, the amount of P65,000.00

The award of moral damages is deleted.

SO ORDERED.⁵³

Following the denial of its Motion for Reconsideration, VECO filed the present Petition.⁵⁴

VECO insists that it is M. Lhuillier, and not itself, which should be held liable for the fire.⁵⁵ Asserting that it was impossible for its negligence to have caused the fire, it claims that its posts were relocated only after the fire occurred.⁵⁶ It adds that it was an error for the Court of Appeals to rely on Emilio's testimony, which it characterized as "self-serving."⁵⁷ It asserts that no witness ever corroborated Emilio's testimony that the posts were relocated before the fire.⁵⁸ It also challenges the findings of the Court of Appeals regarding Engr. Lauronal's testimony, claiming that he lacked personal knowledge as to when the posts were relocated and that he never testified that they were relocated before the fire.⁵⁹ It adds that although the picture shown by Engr. Lauronal was alleged to have been taken one (1) day after the fire occurred, it was only presented three (3) years after trial had commenced. This was supposedly the only basis of Engr. Lauronal's testimony pointing to the hole where the posts were previously located.⁶⁰ VECO also argues that the picture was not properly authenticated as required under the Rules on Evidence.⁶¹

M. Lhuillier counters that Engr. Lauronal's statements clearly showed that the relocation of the posts was made before the fire. It emphasizes that Engr. Lauronal stated during cross-examination that the relocation was made because of the drainage project which was undertaken from October 6, 1997 to November 28, 1997.⁶² It further underscores that the contact between VECO's cables and its own signage would not have happened had VECO not relocated its posts.⁶³

⁵³ Id. at 76.

⁵⁴ Id. at 11-41.

⁵⁵ Id. at 31.

⁵⁶ Id. at 19.

⁵⁷ Id. at 23.

⁵⁸ Id. at 30.

⁵⁹ Id. at 25-26.

⁶⁰ Id. at 26.

⁶¹ Id. at 27.

⁶² Id. at 147.

⁶³ Id. at 151.

For resolution is the sole issue of whether or not the Court of Appeals erred in ruling that petitioner Visayan Electric Company Inc.'s negligence, rather than that of respondent M. Lhuillier Pawnshop and Jewelry, was the proximate cause of the fire which razed the properties of respondents Emilio Alfeche, Gilbert Alfeche, and Emmanuel Manugas.

I

The case before this Court is replete with factual issues. Ordinarily, it is not for this Court to review factual issues in petitions such as the present Rule 45 Petition which may only raise questions of law.⁶⁴ This rule, however, admits certain exceptions:

- (1) when the factual findings of the Court of Appeals and the trial court are contradictory;
- (2) when the findings are grounded entirely on speculation, surmises, or conjectures;
- (3) when the inference made by the Court of Appeals from its findings of fact is manifestly mistaken, absurd, or impossible;
- (4) when there is grave abuse of discretion in the appreciation of facts;
- (5) when the appellate court, in making its findings, goes beyond the issues of the case, and such findings are contrary to the admissions of both appellant and appellee;
- (6) when the judgment of the Court of Appeals is premised on a misapprehension of facts;
- (7) when the Court of Appeals fails to notice certain relevant facts which, if properly considered, will justify a different conclusion;
- (8) when the findings of fact are themselves conflicting;
- (9) when the findings of fact are conclusions without citation of the specific evidence on which they are based; and
- (10) when the findings of fact of the Court of Appeals are premised on the absence of evidence but such findings are contradicted by the evidence on record.⁶⁵

The findings of the Regional Trial Court and of the Court of Appeals differ in this case. The Regional Trial Court found that “had not defendant [M.] Lhuillier installed its signage in such a manner that it will come in contact with the secondary lines of defendant VECO, there could have been no short circuit which caused the fire.”⁶⁶ On the other hand, the Court of Appeals found that “one VECO post was affected by the road widening

⁶⁴ RULES OF COURT, Rule 45, Section 1:

Section 1. *Filing of petition with Supreme Court.* — A party desiring to appeal by *certiorari* from a judgment or final order or resolution of the Court of Appeals, the Sandiganbayan, the Regional Trial Court or other courts whenever authorized by law, may file with the Supreme Court a verified petition for review on *certiorari*. The petition shall raise only questions of law which must be distinctly set forth.

⁶⁵ *National Transmission Corporation v. Alphaomega Integrated Corporation*, 740 Phil. 87, 97 (2014) [Per J. Perlas-Bernabe, Second Division] citing *Fuentes v. Court of Appeals*, 335 Phil. 1163 (1997) [Per J. Panganiban, Third Division].

⁶⁶ *Rollo*, pp. 52-A–53.

work. Due to the transfer, the VECO wire already touched the signboard of M. Lhuillier pawnshop.”⁶⁷ In the interest of arriving at a definite determination of the attendant liabilities, this Court exercises its power of review.

II

Despite the Regional Trial Court’s and the Court of Appeals’ divergence on the liabilities of VECO and M. Lhuillier, they are consistent in finding that the immediate cause of the fire was the short circuiting of VECO’s wires. This short circuiting, in turn, happened because VECO’s wires had been abraded or stripped of their insulation by their constant rubbing with M. Lhuillier’s signage. The Regional Trial Court and the Court of Appeals are consistent in this regard.

The Regional Trial Court’s statement that “there could have been no short circuit which caused the fire”⁶⁸ had M. Lhuillier installed its signage in a way that it would not touch VECO’s secondary lines accepts as truth how the confluence of proximity, abrasion, and short circuiting led to the fire. For its part, the Court of Appeals stated:

The constant abrasion led to the failure of the insulation thereby causing a short circuit which eventually led to the breaking and the burning of the wire. The burned and cut wire which fell on the roof of plaintiff-appellees’ house was proven to be the main cause of the fire. These flow[s] of events reveal that the negligent act of defendant-appellee VECO in transferring its pole without providing the necessary precautionary and safety measure was the natural and probable result of the fire which caused damage to plaintiffs-appellees.⁶⁹

This Court’s inquiry proceeds from settled truth as to the immediate, factual cause of the fire. What is in dispute is whether VECO or M. Lhuillier was negligent to have engendered the confluence of proximity, abrasion, and short circuiting.

III

VECO attempts to altogether skirt any imputation of negligence by painting a scenario of impossibility. It claims that its wires could not have caused the fire by touching M. Lhuillier’s signage as its posts were not transferred until after the fire occurred.

⁶⁷ Id. at 71.

⁶⁸ Id. at 52-A-53.

⁶⁹ Id. at 72-73.

VECO's position is negated not only by the entire corpus of evidence but, more basically, by common sense.

To reiterate, the Regional Trial Court and the Court of Appeals are consistent in holding that proximity, abrasion, and short circuiting led to the fire. Common sense dictates that the wires and signage could never have rubbed against each other, or the wires abraded and short circuited, had they not been in close proximity. Common sense also shows that they could not have been in close proximity had not either the wires or the signage moved closer to the other. The testimonies of Solon and Camuta were definite that when M. Lhuillier's signage was installed in 1995, it was free from any obstacle. No allegation was made, let alone proof presented, that the signage had been relocated in the interim. In contrast, a plethora of evidence attests to the relocation of VECO's posts and wires. Heeding VECO's position demands not only this Court's disregard of the preponderant evidence against VECO but also this Court's acceptance of the absurdity and the impossibility that VECO's posts and wires must have moved closer to M. Lhuillier's signage by some unseen, even supernatural, force.

VECO's position is not only inherently impossible. Credible testimonies also militate against it. These testimonies remain credible despite VECO's attempts at undermining them.

VECO attempts to discredit Emilio by characterizing him as a biased witness, he being one (1) of the plaintiffs.

The fact of Emilio's being a plaintiff does not amount to bias against VECO vis-à-vis M. Lhuillier. That is, Emilio has not been shown to be actively impeding VECO's attempt to evade liability and to impute it instead to M. Lhuillier. In fact, his act of suing both VECO and M. Lhuillier indicates a lack of preference for any of them. It indicates, rather, his sole interest in the satisfaction of his claim for damages. Having brought an action against both VECO and M. Lhuillier, Emilio manifests intent to submit to judicial wisdom the determination of which between VECO and M. Lhuillier has been negligent and is liable.

VECO has also attempted to discredit the statements of its own witness, Engr. Lauronal.

On cross examination, Engr. Lauronal indicated that VECO's posts were transferred ahead of the fire. He definitely stated that VECO's posts were affected by the drainage project and that they had to be relocated.⁷⁰ According to him, the project commenced on October 6, 1997 and was

⁷⁰ Id. at 148.

already completed on November 28, 1997,⁷¹ well ahead of the occurrence of the fire in the evening of January 6, 1998. He also stated that had it not been for the transfer, VECO's wires would not have touched M. Lhuillier's signage.⁷²

Atty. Dalawampu (to the witness)

Q-- Mr. Witness, you said that there was a road widening project at 11th Street, am I correct?

A-- Yes, ma'am.

Q-- You also said that there was a drainage project along the area, correct?

A- Yes, ma'am.

....

Q--You said that there was a monitoring, were you aware that in the construction of the drainage at 11th Street, the VECO posts were affected, were you aware of that?

A--Our monitoring team requested the mayor of San Fernando to request VECO to relocate their posts, ma'am.

Q--Your monitoring team of your office requested the municipal mayor of San Fernando to ask VECO to relocate the posts because they were affected by the construction of drainage, meaning the drainage project had to pass through on that area where the VECO posts were located, am I correct?

A--Yes, ma'am.

....

Q-- Here is a VECO post as shown on this picture marked as Exhibit N-1. Can you tell this Honorable Court in the monitoring done by your office if this VECO post marked as Exhibit N-1 used to be located here on this hole marked as Exhibit N-5?

A--We didn't care anymore where the VECO post will be relocated, ma[']am.

Q--My question is, can you tell this Honorable Court if this post marked as Exhibit N-1 used to be in this hole, located in this hole marked as Exhibit N-5, that is the question?

A--Yes, the previous location of the post was this hole marked as N-5, ma[']am.

Q--This post which you are referring to is this Exhibit N-1, correct?

A--Yes, ma'am.

⁷¹ Id. at 149.

⁷² Id. at 151.

Q-- But as shown on this picture Exhibit N, the VECO post at the other end of the street which was marked as Exhibit N-6 was not removed nor relocated?

A--Only the VECO post was relocated, ma'am.

Q-- So, the only post that was relocated was Exhibit N-1, correct?

A--Yes, ma'am.

....

Q-- Because of the relocation, the wire connecting the two (2) posts, Exhibit N-1 and Exhibit N-6, was necessarily moved also closer to the houses along the area at the left?

A--Of course, it will be moved also because the VECO post was moved.

Q--And the movement of the post on Exhibit N-1 was towards or closer to the houses along the area?

A--Yes, ma'am.

Q--The drainage project which you are testifying before this Honorable Court was constructed or was undertaken on October 6, 1997, am I correct?

A-- Yes, ma'am.

....

Q--You mean to say that the duration of the construction should be up to November 28, 1997?

A--Yes, ma'am.

Q--Because of the transfer of this VECO post marked as Exhibit N-1, the wire connecting the two (2) posts Exhibit N-7 and N-1, had to touch the signage of M. Lhuillier, am I correct?

A--The distance of the wire from the M. Lhuillier signage was about 8 inches, the clearance, and they also placed a plastic material so that the wires will not touch the signage of M. Lhuillier, Ma'am.

Q-- Engr. Lauronal, you are aware that the fire took place on January 6, 1998, in that area?

A-- Yes, ma'am.

Q--Engr. Lauronal, there was no change in the location or situation of the wires connecting the 2 VECO posts after the fire, there was none yet?

A--Yes, there was no change, ma'am.⁷³

On further cross-examination, Engr. Lauronal stated:

⁷³ Id. at 147-150.

Atty. Dinsay (to the witness)

Q—Because of the drainage project they have to move the post a little bit inward to the left, correct?

A—Yes, sir.

Q—Engr. Lauronal, there was a gap from the electrical line to the signage of M. Lhuillier at about 8 inches, correct?

A—That's correct, sir.

Q—Since you are an engineer, can you estimate from this pole where you said the poles used to be and to the present location of the post marked as Exhibit N-1, can you please give us an estimate as to how far that is?

A—I can't give you an estimate, all I know is that the post was transferred.

Q—Can you tell whether the transfer from that former hole to the present position would be more than 8 inches?

A—I think more than 8 inches, sir.

Q—And, therefore, you would also say that had it not been for the fact that the post was moved more than 8 inches where it is now located, the electrical wire would not have touched the signage of M. Lhuillier, correct?

A—Yes, Sir.⁷⁴

Different from what VECO suggests, Engr. Lauronal was not entirely dependent on Exhibit “N.” On the contrary, when initially presented with Exhibit “N,” he attempted to shrug it off by answering, “We didn't care anymore where the VECO post will be relocated.”⁷⁵ Moreover, while he referenced Exhibit “N,” the substance of Engr. Lauronal's testimony was not the intricacies of Exhibit “N” and the veracity or the peculiarities of its features. The substance of his testimony, rather, was how VECO's posts and wires were transferred on account of road-widening and drainage projects, well ahead of the fire on January 6, 1998 and how these transfers brought VECO's wires closer to M. Lhuillier's signage.

Also contrary to VECO's suggestion that Engr. Lauronal was incompetent on the matters he had testified to, his testimony deserves great weight, he having testified in his capacity as the municipal engineer overseeing and liaising local projects. It is also particularly notable that Engr. Lauronal maintained a sense of objectivity and neutrality, speaking

⁷⁴ Id. at 150–151.

⁷⁵ Id. at 148.

plainly of the facts, as he knew them, despite having been presented as VECO's own witness.

Engr. Banaag was VECO's sole witness on when it relocated its posts, claiming that the relocation happened after the fire.⁷⁶ While VECO has made much of the supposed biases of other witnesses, it is Engr. Banaag's testimony which should be treated with skepticism, he having admittedly worked for and represented VECO for 35 years.⁷⁷

In any case, even Engr. Banaag's own testimony militates against VECO. In his testimony, he conceded that "the proximate cause of the fire was the breaking of the secondary wire forcibly caused by the abrasion of the signage of M. Lhuillier."⁷⁸ Engr. Banaag's conclusion, juxtaposed with VECO's claim that its posts and wires were not transferred until after the fire, strains credulity. Again, it runs afoul of common sense to claim that the wires and signage rubbed against each other if they had not been *previously* placed in close proximity. Certainly, someone must have placed them close to each other before they rubbed at each other. With an utter dearth of evidence indicating that it was the signage that moved, no reasonable conclusion is left other than that the wires and posts were moved. This transfer could not have been effected by anyone other than the electricity utility company responsible for their installation and maintenance, VECO.

IV

Thus, the Court of Appeals was correct in ruling that VECO's negligence was the proximate cause of the injury suffered by respondents Emilio, Gilbert, and Manugas. All the elements for liability for a quasi-delict under Article 2176 of the Civil Code⁷⁹ have been shown to be attendant on VECO's part. The elements of a quasi-delict are:

- (1) the damages suffered by the plaintiff; (2) the fault or negligence of the defendant or some other person for whose act he must respond; and (3) the connection of cause and effect between the fault or negligence and the damages incurred.⁸⁰

On the first element, it is undisputed that the Alfeches and Manugas suffered damage because of the fire. What has hitherto remained unresolved is which between VECO and M. Lhuillier is liable to indemnify them.

⁷⁶ Id. at 197.

⁷⁷ Id. at 45.

⁷⁸ Id. at 45-46.

⁷⁹ CIVIL CODE, art. 2176 provides:

Article 2176. Whoever by act or omission causes damage to another, there being fault or negligence, is obliged to pay for the damage done. Such fault or negligence, if there is no pre-existing contractual relation between the parties, is called a quasi-delict and is governed by the provisions of this Chapter.

⁸⁰ *Child Learning Center, Inc. v. Tagario*, 512 Phil. 618, 623 (2005) [Per J. Azcuna, First Division].

Fault is “a voluntary act or omission which causes damage to the right of another giving rise to an obligation on the part of [another].”⁸¹ On the other hand, “[n]egligence is the failure to observe for the protection of the interest of another person that degree of care, precaution and vigilance which the circumstances justly demand.”⁸²

Between VECO and M. Lhuillier, it is VECO which this Court finds to have been negligent.

M. Lhuillier was not negligent in installing its signage. It installed its signage in 1995 well before the road-widening and drainage projects commenced and ahead of VECO’s relocation of its posts. Solon and Camuta both emphasized that the signage was installed free of any obstacle. Other than VECO’s evasive accusations, there is no proof to the contrary.

It was VECO that was negligent. It is apparent that it transferred its posts and wires without regard for the hazards that the transfer entailed, particularly with respect to the installations which had previously been distant from the wires and posts but which had since come into close proximity.

VECO is a public utility tasked with distributing electricity to consumers. It is its duty to ensure that its posts are properly and safely installed. As the holder of a public franchise, it is to be presumed that it has the necessary resources and expertise to enable a safe and effective installation of its facilities. By installing its posts and wires haphazardly, without regard to how its wires could come in contact with a previously installed signage, VECO failed to act in keeping with the diligence required of it.

Proximate cause is defined as “that cause which, in natural and continuous sequence, unbroken by any efficient intervening cause, produces the injury and without which the result would not have occurred.”⁸³

VECO’s negligence was the proximate cause of the damage suffered by the Alfeches and Manugas. It is settled that the confluence of proximity, abrasion, and short-circuiting led to the fire. The first of these—proximity—arose because of VECO’s relocation of posts and wires. Installed in such a manner that its wires constantly touched M. Lhuillier’s signage, this “led to the failure of the insulation thereby causing a short circuit which eventually

⁸¹ Id.

⁸² Id. at 623–624.

⁸³ *American Express International, Inc. v. Cordero*, 509 Phil. 619, 625 (2005) [Per J. Sandoval-Gutierrez, Third Division].

led to the breaking and burning of the wire.”⁸⁴ It was this burning wire that fell on the Alfeches’ residence’s roof and burned down their house and store, as well as Manugas’ adjacent shop.


VECO would have this Court sustain a flimsy excuse for evading liability. Attempting to break the all too apparent causal connection between its negligence and the injury suffered by the plaintiffs, it would insist on absurdities that strain common sense and vainly attempt to discredit even its own witness. This Court finds no merit in VECO’s pretenses and sustains the Court of Appeals decision.

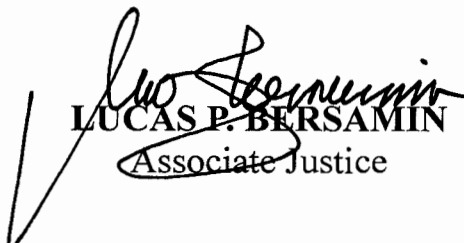
WHEREFORE, the Petition for Review on Certiorari is **DENIED**. The Court of Appeals October 25, 2012 Decision and October 8, 2013 Resolution in CA-G.R. CV No. 02583 are **AFFIRMED**.

SO ORDERED.


MARVIC M.V.F. LEONEN
 Associate Justice

WE CONCUR:


PRESBITERO J. VELASCO, JR.
 Associate Justice
 Chairperson


LUCAS P. BERSAMIN
 Associate Justice

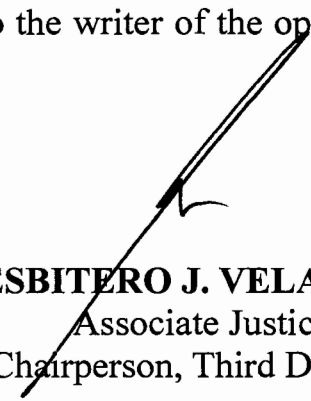

SAMUEL R. MARTIRES
 Associate Justice

On leave
ALEXANDER G. GESMUNDO
 Associate Justice

⁸⁴ Rollo, p. 72.


ATTESTATION

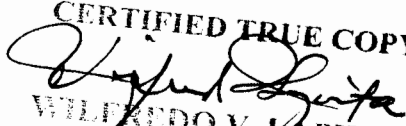
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.


PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, 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.


MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY

WILFREDO V. LAPITAN
Division Clerk of Court
Third Division

MAR 09 2018