

THIRD DIVISION

[G.R. No. 191427, May 30, 2011]

**UNIVERSAL ROBINA CORP. (CORN DIVISION), PETITIONER, VS.
LAGUNA LAKE DEVELOPMENT AUTHORITY, RESPONDENT.**

D E C I S I O N

CARPIO MORALES, J.:

The present petition for review on certiorari assails the Court of Appeals Decision^[1] dated October 27, 2009 and Resolution dated February 23, 2010 in CA-G. R. SP No. 107449.

Universal Robina Corp. (petitioner) is engaged in, among other things, the manufacture of animal feeds at its plant in Bagong Ilog, Pasig City.

Laguna Lake Development Authority (LLDA), respondent, through its Pollution Control Division - Monitoring and Enforcement Section, after conducting on March 14, 2000 a laboratory analysis of petitioner's corn oil refinery plant's wastewater, found that it failed to comply with government standards provided under Department of Environment and Natural Resources (DENR) Administrative Orders (DAOs) Nos. 34 and 35, series of 1990.

LLDA later issued on May 30, 2000 an Ex-Parte Order requiring petitioner to explain why no order should be issued for the cessation of its operations due to its discharge of pollutive effluents into the Pasig River and why it was operating without a clearance/permit from the LLDA.

Still later, the LLDA, after receiving a phone-in complaint conducted on August 31, 2000, another analysis of petitioner's wastewater, which showed its continued failure to conform to its effluent standard in terms of Total Suspended Solids (TSS), Biochemical Oxygen Demand (BOD), Color and Oil/Grease.

Hearings on petitioner's pollution case were thereafter commenced on March 1, 2001.

Despite subsequent compliance monitoring and inspections conducted by the LLDA, petitioner's wastewater failed to conform to the parameters set by the aforementioned DAOs.

In early 2003, petitioner notified LLDA of its plan to upgrade the wastewater treatment facility (WTF) of its corn oil refinery plant in an effort to comply with environmental laws, an upgrade that was completed only in 2007.

On May 9, 2007 on its request,^[2] a re-sampling of petitioner's wastewater was conducted which showed that petitioner's plant *finally* complied with government

standards.

Petitioner soon requested for a reduction of penalties, by Manifestation and Motion^[3] filed on August 24, 2007 to which it attached copies of its Daily Operation Reports and Certifications^[4] to show that accrued daily penalties should only cover a period of 560 days.

After conducting hearings, the LLDA issued its Order to Pay^[5] (OP) dated January 21, 2008, the pertinent portion of which reads:

After careful evaluation of the case, respondent is found to be discharging pollutive wastewater computed in two periods reckoned from March 14, 2000 - the date of initial sampling until November 3, 2003 - the date it requested for a re-sampling covering 932 days in consideration of the interval of time when subsequent monitoring was conducted after an interval of more than 2 years and from March 15, 2006 - the date when re-sampling was done until April 17, 2007 covering 448 days^[6] for **a total of 1,247 days**.

WHEREFORE, premises considered, respondent is hereby ordered to pay within fifteen (15) days from receipt hereof the accumulated daily penalties amounting to a total of Pesos: One Million Two Hundred Forty-Seven (Thousand) Pesos Only (PHP 1,247,000.00) prior to dismissal of the case and without prejudice of filing another case for its subsequent violations. (emphasis and underscoring supplied)

Petitioner moved to reconsider, praying that it be ordered to pay only accumulated daily penalties in the sum of Five Hundred Sixty Thousand (P560,000) Pesos^[7] on grounds that the LLDA erred in *first*, adopting a straight computation of the periods of violation - based on the flawed assumption that petitioner was operating on a daily basis – without excluding, among others, the period during which the LLDA Laboratory underwent rehabilitation work from December 1, 2000 to June 30, 2001 (covering 212 days); and *second*, in disregarding the Daily Operation Reports and Certifications which petitioner submitted to attest to the actual number of its operating days, i.e., 560 days.

By Order^[8] of July 11, 2008, the LLDA denied petitioner's motion for reconsideration and reiterated its order to pay the aforestated penalties, disposing of the issues thusly:

On the *first issue*, while it is true that the Authority failed to state in its OP dated 21 January 2008 the basis for actual computation of the accumulated daily penalties, the Authority would like to explain that its computation was based on the following, to wit:

The computation of accumulated daily penalties was reckoned period [*sic*] from 14 March 2000 - the date of initial sampling to 03 November 2003 - the date when its letter request for re-sampling was received

which covers 932 days computed at 6 days per week operation as reflected in the Reports of Inspection. Since subsequent inspection conducted after two (2) years and four (4) months, such period was deducted from the computation. Likewise, the period when the LLDA Laboratory was rehabilitated from December 1, 2000 to June 30, 2001 was also deducted with a total of Two Hundred Twelve (212) days.

On the *second claim*, the same cannot be granted for lack of legal basis since the documents submitted are self-serving. The period from 15 March 2006 to 17 April 2007 was computed from the date of re-sampling when it failed to conform to the standards set by law up to the date of receipt of its letter request for re-sampling prior to its compliance on May 9, 2007. The period covers 342 days.

Hence, respondent is found to be discharging pollutive wastewater not conforming with the standards set by law computed from March 14, 2000 - November 3, 2003 covering 932 days and from March 15, 2006 - April 17, 2007 covering 342 days for a total of 1,274 days.

Petitioner challenged by certiorari the twin orders before the Court of Appeals, attributing to LLDA grave abuse of discretion in disregarding its documentary evidence, and maintaining that the lack of any plain, speedy or adequate remedy from the enforcement of LLDA's order justified such recourse as an exception to the rule requiring exhaustion of administrative remedies prior to judicial action.

By Decision of October 27, 2009 the appellate court affirmed both LLDA orders, which it found to be amply supported by substantial evidence, the computation of the accumulated daily penalties being in accord with prevailing DENR guidelines. The appellate court held that while petitioner may have offered documentary evidence to support its assertion that the days when it did not operate must be excluded from the computation, the LLDA has the prerogative to disregard the same for being unverified, hence, unreliable.

The appellate court went on to chide petitioner's petition for certiorari as premature since the law provides for an appeal from decisions or orders of the LLDA to the DENR Secretary or the Office of the President, a remedy which should have first been exhausted before invoking judicial intervention.^[9]

Petitioner's motion for reconsideration having been denied by Resolution of February 23, 2010, it filed the present petition.

Petitioner cites deprivation of due process and lack of any plain, speedy or adequate remedy as grounds which exempted it from complying with the rule on exhaustion of administrative remedies.

The petition fails.

The doctrine of exhaustion of administrative remedies is a cornerstone of our judicial system. The thrust of the rule is that courts must allow administrative agencies to carry out their functions and discharge their responsibilities within the specialized areas of their respective competence.^[10] The rationale for this doctrine is obvious.