

## THIRD DIVISION

[ G.R. No. 121910, July 03, 1996 ]

**NATIONAL WATERWORKS AND SEWERAGE AUTHORITY (NOW THE METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM), PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, KAISAHAN AT KAPATIRAN NG MGA MANGGAGAWA AT KAWANI SA NWSA (PAFLU), ET AL., RESPONDENTS.**

### DECISION

**MELO, J.:**

The instant petition for certiorari under Rule 65 of the Rules of Court seeks to annul the resolution dated June 21, 1995 of the First Division of the National Labor Relations Commission (NLRC) which affirmed *in toto* the order dated March 22, 1989 of Labor Arbiter Evangeline S. Lubaton of the NLRC NCR Arbitration Branch on the grounds of alleged lack of jurisdiction and grave abuse of discretion amounting to lack or excess of jurisdiction.

The controversy in the instant case arose when the former National Waterworks and Sewerage Authority (NAWASA), since then renamed Metropolitan Waterworks and Sewerage System (MWSS), unilaterally stopped the implementation of a P2.25 daily, or a P49.50 monthly, increase starting January 1, 1966 after it had implemented the same from July 1, 1965 to December 31, 1965 pursuant to a compromise agreement designated by the parties as "Return-to-Work Agreement."

Briefly, the relevant facts of the case are as follows:

On July 1, 1965, NAWASA and private respondents entered into a Return-to-Work Agreement, which provided, among other stipulations, the following:

The NAWASA agrees to grant workers and employees in Manila and Suburbs represented by the Union, the amount of TWO PESOS AND TWENTY FIVE CENTAVOS (P2.25) each as daily increase in wage for daily wage workers, or FORTY NINE PESOS AND 50/100 (P49.50) per month each to monthly salaried workers or employees, the same to be effective on July 1, 1965, provided that the total increase in salaries or wages both for daily wage and monthly salaried workers and employees shall not exceed P1,836.00.

The above agreement was ratified by petitioner NAWASA's board in Resolution No. 309, Series of 1965. From July 1, 1965 up to December 31, 1965, NAWASA implemented the increases, but unilaterally discontinued the same on January 1, 1966. Thereafter, private respondents demanded the restoration of the wage

increase. Due to NAWASA's then poor state of finances, it could not and did not heed the demand.

On October 23, 1974, the then Court of Industrial Relation (CIR) rendered judgment in Cases No. 66-IPA, 66-IPA(1), 69-IPA, and 74-IPA, based on a compromise agreement wherein the grant of the P2.25 a day or P49.50 per month increase was provided for.

Despite the above judgment, NAWASA continued to fail to restore the subject salary increase, and private respondents, realizing and aware of petitioner's inability to fully comply with the terms and conditions set forth in the Return-to-Work Agreement due to financial limitations, agreed to a deferment in the payment of their claims.

However, after the February 1986 EDSA uprising, private respondents staged pickets and a series of demonstrations within NAWASA's premises seeking various concessions from petitioner, which included the restoration of the salary increase.

In July 1988, private respondents filed a motion for restoration of the wage increase with the Department of Labor and Employment which was docketed as NLRC-NCR-Cases No. 66-IPA, 66-IPA(1), 69-IPA, and 74-IPA, and assigned to Labor Arbiter Evangeline S. Lubaton for resolution.

Petitioner opposed the motion, alleging, among other things, that "the claim had long been rejected and is not one of those awarded in the Decision dated October 23, 1974 in the above captioned cases; that it is already barred by prescription; and that it was filed without authority from the alleged claimants." Private respondents filed their reply thereto.

On March 22, 1989, Labor Arbiter Evangeline Lubaton issued an order, disposing:

WHEREFORE, premises considered, the Motion to Dismiss is denied and the respondent National Waterworks and Sewerage Authority (NAWASA), now the Metropolitan Waterworks Sewerage System MWSS), is hereby ordered to pay the Forty-Nine Pesos and Fifty Centavos (P49.50) a month for monthly employees or Two Pesos and Twenty-Five Centavos (P2.25) daily for daily paid workers per Return-to-Work Agreement dated July 1, 1965. The Chief of the Research and Information Unit of this Office or any of his representatives is directed to coordinate with the NAWASA Auditing Examiner to determine the claimants entitled to said increases and the amount each claimant is entitled to; and to deduct or segregate from the total amount thereof the equivalent of 17% by way of attorney's fees, as awarded in the other cases which is to be paid to Atty. Benjamin C. Pineda, the counsel of (sic) for the individual claimants in this case; and to submit the report within thirty (30) days from receipt hereof for further disposition.

Petitioner thereupon appealed to NLRC which, per its resolution promulgated on June 21, 1995, dismissed the appeal and affirmed the labor arbiter's order.