

This thesis studies component of cost of Provincial Waterworks Authority (PWA.). It consists of Manufacturing Cost, Distribution Cost and Administrative Cost. These costs are classified by activities in the operation. Correlation Analysis and Multiple Regression Analysis with statistical package SPSS/PC+ are appropriately used for analysis of correlation of factors affecting cost and the formulation of financial model of each cost in order to forecast Manufacturing Cost, Distribution Cost and Administrative Cost.

The results of this study are 3 models which are Manufacturing Cost Model, Distribution Cost Model and Administrative Cost Model. These models can be used for forecast Manufacturing Cost, Distribution Cost and Administrative Cost. Some residual may occur but the residual is in the acceptable range of statistical test. These models are summarized as follow :

1. Manufacturing Cost Model consists of 6 independent variables which are Salaries and Wages, Remunerations, Chemicals, Materials and Supplies, Utilities, Depreciation and Amortization.
2. Distribution Cost Model consists of 6 independent variables which are Salaries and Wages, Remunerations, Materials and Supplies, Other Operating Expenses, Utilities, Depreciation and Amortization.
3. Administrative Cost Model consists of 11 independent variables which are Salaries and Wages, Temporary Wages, Remuneration, Materials and Supplies, Office Supplies, Hire and Services, Other Operating Expenses, Utilities, Interest Paid and Commitment Charges, Bad Debt, and Water Sales Quantity.

These models are useful for setting operation plan, budgeting and controlling expenses effectively. Some irregular situation such as salary rate change which is not the annual budget rate change, the raising price of the chemicals etc. will affect the cost directly. But the forecasting value from these models will be used effectively only under the normal situation.