EATON CORP Form 4 March 17, 2006

FORM 4

OMB APPROVAL

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

January 31, Expires: 2005

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

Estimated average burden hours per response... 0.5

Form 4 or Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *

2. Issuer Name and Ticker or Trading

5. Relationship of Reporting Person(s) to Issuer

Tsavalas Yannis P

EATON CORP [ETN]

(Month/Day/Year)

Symbol

(Check all applicable)

(Last)

(First)

(Middle)

3. Date of Earliest Transaction

Director X_ Officer (give title

10% Owner Other (specify

EATON CENTER, 1111 SUPERIOR 03/15/2006

below)

V.P. and Chief Tech. Officer

AVENUE (Street)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

Person

CLEVELAND, OH 44114

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of

Security (Instr. 3)

(Month/Day/Year) Execution Date, if (Month/Day/Year) TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

Securities Beneficially Owned Following Reported

Form: Direct (D) or Indirect (I) (Instr. 4)

Indirect Beneficial Ownership (Instr. 4)

(A)

Transaction(s)

(Instr. 3 and 4)

Common

Code V Amount (D) Price

> $6,623 \frac{(1)}{}$ D

> > by trustee

Shares

Common Shares

176.756 (2)

I

of ESP

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number of or Derivative Securities Acquired (A) or Disposed of (I (Instr. 3, 4, and 5)	Expiration I (Month/Day or	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V	(A) (Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Shares	\$ 0	03/15/2006	(3)	A	4,847.95 (4)	(3)	(3)	Common Shares	4,847.95	

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Tsavalas Yannis P EATON CENTER 1111 SUPERIOR AVENUE CLEVELAND, OH 44114

V.P. and Chief Tech. Officer

Signatures

/s/ Claudia J. Taller as attorney-in-fact

03/17/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Certain of these shares represent restricted shares issued under an Eaton Corporation stock plan and are subject to risk of forfeiture.
- (2) These shares are held in the Eaton Savings Plan.
- (3) This field is not applicable.

These Phantom Share Units were acquired by the reporting person's deferral in the deferred incentive compensation plans maintained by the Company of bonus and long-term incentive compensation earned during 2005. The number of Phantom Share Units acquired is based on the average of the mean prices for Eaton Common Shares for the twenty trading days immediately following the end of the period in

which the compensation was earned.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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