EATON CORP
Form 4
September 11, 2006

FORM 4

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

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

OMB APPROVAL	
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(Print or Type Responses)

1. Name and Address of Reporting Person * **MILLER JOHN R**	2. Issuer Name **and** Ticker or Trading Symbol **EATON CORP [ETN]**	5. Relationship of Reporting Person(s) to Issuer
(Last) (First) (Middle)	3. Date of Earliest Transaction (Month/Day/Year) 09/07/2006	(Check all applicable) __X__ Director _____ 10% Owner _____ Officer (give title below) _____ Other (specify below)
7511 CREEK VIEW TRAIL (Street)	4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person ___ Form filed by More than One Reporting Person
CHAGRIN FALLS, OH 44023 (City) (State) (Zip)		

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Shares	09/07/2006		M		2,324	A	$30.91	11,324	D	
Common Shares	09/07/2006		S		224	D	$65.96	11,100	D	
Common Shares	09/07/2006		S		100	D	$65.95	11,000	D	
Common Shares	09/07/2006		S		1,100	D	$65.94	9,900	D	
Common Shares	09/07/2006		S		900	D	$65.93	9,000	D	

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.

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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. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
								Date Exercisable	Expiration Date	Title	Amount or Number of Shares
				Code	V	(A)	(D)				
Stock Option	$ 30.91	09/07/2006	[(1)](#)	M		2,324		07/21/1997[(2)]	01/21/2007	Common Shares	2,324

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MILLER JOHN R 7511 CREEK VIEW TRAIL CHAGRIN FALLS, OH 44023	X			

Signatures

/s/ Claudia J. Taller as attorney-in-fact	09/11/2006
[**]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)   This field is not applicable.

(2)   These options are exercisable in their entirety 6 months from the date of grant.

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.