

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

FORM 8-K

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): February 6, 2007

Telkonet, Inc.

(Exact name of registrant as specified in its charter)

Utah

000-27305

87-0627421

(State or Other Jurisdiction
of Incorporation)

(Commission File Number)

(IRS Employer
Identification No.)

20374 Seneca Meadows Parkway, Germantown, MD 20876

(Address of Principal Executive Officers)

(Zip Code)

Registrant's telephone number, including area code: (240) 912-1800

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

ITEM 8.01 OTHER EVENTS

On February 6, 2007, the Company announced that it has signed an exclusive supply agreement with GE Energy to co-develop an innovative custom product that enables vital remote monitoring and management of utility substation equipment. Over the next six months, GE will commence the first installation phase involving customers in North America to further develop and refine the product, customizing it to be compatible with all the various types of substation equipment.

ITEM 9.01 Financial Statements and Exhibits

- (a) No financial statements are required to be filed as part of this report.
- (b) No pro forma financial information is required to be filed as part of this report.
- (c) The following documents are filed as exhibits to this Report on Form 8-K:

99.1 Press Release, dated February 6, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 9, 2007

Leimbach_____

By: /s/ Richard J.

Richard J. Leimbach
Vice President Finance



For Immediate Release: February 6, 2007

NEWS RELEASE

Telkonet and GE Energy Develop Integrated Utility Substation Automation System

Telkonet and GE Energy to Co-Develop a Custom, Private Label Product That Enables Remote Monitoring and Management of Substation Equipment

Germantown, MD, Telkonet, Inc. (AMEX: TKO), the leader in providing in-building broadband access over existing electrical wiring, today announced that it has signed an exclusive supply agreement with GE Energy to co-develop an innovative custom product that enables vital remote monitoring and management of utility substation equipment. This integrated system will revolutionize the way in which a substation's performance is monitored, considerably improving efficiency and reliability. Over the next six months, GE will commence the first installation phase involving customers in North America to further develop and refine the product, customizing it to be compatible with all the various types of substation equipment.

Over the past year, GE Energy conducted extensive laboratory and field testing of the Telkonet iWire System™ successfully; Telkonet's system met the rigorous performance and reliability requirements, as well as the environmental standards for both AC and DC operating environments, for GE Energy and the utility marketplace.

The Telkonet iWire System leverages the existing electrical wiring inside a substation to enable high-speed network connectivity, eliminating the need for new wiring or cabling. The data collected from GE Energy's monitoring systems can be transmitted remotely to any location via a broadband Internet connection, enabling utilities to monitor the conditions of the transformers, reroute power and efficiently manage the energy supply.

GE Energy will demonstrate this customized substation automation product, incorporating the Telkonet iWire System, at DistribuTECH 2007 in San Diego, CA, the largest energy trade show in the U.S., February 4 – 7, 2007.

Ron Pickett, President and CEO of Telkonet, commented, "We have been working very hard with GE Energy over the past year to make sure that this is a success and believe that it will open up many new opportunities for both companies. This agreement is a key element in Telkonet's strategy of delivering solutions to both the supply and demand sector - utilities and building owners/managers."

About Telkonet

Telkonet develops and markets technology for the high-speed transmission of secure voice, video and data communications over in-premise and shipboard electrical wiring. The revolutionary Telkonet iWire System utilizes proven powerline communications (PLC) technology to deliver commercial high-speed broadband access from an IP "platform" that is easy to deploy, reliable and cost-effective by leveraging a building's existing electrical infrastructure. Telkonet's products are designed for use in commercial and residential applications, including multi-dwelling units and the hospitality and government markets. Applications supported by the Telkonet "platform" include but are not limited to: VoIP telephones, Internet connectivity, local area networking, video conferencing, IP surveillance and a host of other IT services. For more information, please visit www.telkonet.com.

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Statements included in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve a number of risks and uncertainties such as competitive factors, technological development, market demand and the Company's ability to obtain new contracts and accurately estimate net revenues due to variability in size, scope and duration of projects, and internal issues in the sponsoring client. Further information on potential factors that could affect the Company's financial results, can be found in the Company's Registration Statement and in its Reports on Forms 8-K filed with the Securities and Exchange Commission (SEC).