

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported) **March 28, 2007**

Comfort Systems USA, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

1-13011

(Commission
File Number)

76-0526487

(IRS Employer
Identification No.)

777 Post Oak Boulevard, Suite 500

Houston, Texas

(Address of principal executive offices)

77056

(Zip Code)

Registrant's telephone number, including area code **(713) 830-9600**

(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:

- 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 1.01 Entry into a Material Definitive Agreement

On March 28, 2007, the Compensation Committee of the Board of Directors of Comfort Systems USA, Inc. (the "Compensation Committee") adopted the 2007 Incentive Compensation Plan for Executive Officers, adjusted the Named Executive Officers salaries effective April 1, 2007, and determined grants under the Company's Long-term Incentive Plan. The Named Executive Officers are Mr. William F. Murdy, Chairman of the Board of Directors and Chief Executive Officer; Mr. William George, III, Executive Vice President and Chief Financial Officer; Mr. Thomas N. Tanner, Executive Vice President and Chief Operating Officer; Ms. Julie S. Shaeff, Senior Vice President and Chief Accounting Officer; and Trent T. McKenna, Vice President, General Counsel and Secretary.

2007 Incentive Compensation Plan for Executive Officers

The plan consists of two distinct elements. The first element of the plan rewards the achievement of certain EBITDA (earnings before interest, taxes, depreciation and amortization) target thresholds as well as certain cash flow thresholds (the "Objective Bonus"). The second element of the plan rewards the achievement of certain performance metrics individualized for each executive (the "Subjective Bonus").

For the Objective Bonus, the Committee has set a bonus range based on a target that is correlated with the Company's annual EBITDA. The range for the Objective Bonus for Messrs. Murdy, George and Tanner will be 40 percent to 150 percent of 90 percent of their respective annual base salaries. For Ms. Shaeff and Mr. McKenna the range for the Objective Bonus will be 40 percent to 150 percent of 30 percent of their respective annual base salaries. The Objective Bonus is zero until a certain EBITDA threshold is met, it then scales from 40 percent to 80 percent on a straight-line basis as it moves from 77 % of the EBITDA target to 100% of the EBITDA target. Should the Company's performance exceed the EBITDA target, it then scales from 80 percent to 150 percent on a straight-line basis as it moves from 100% of the EBITDA target to 123% of the EBITDA target. With regard to the Subjective Bonus, each executive is reviewed individually and at the sole discretion of the Committee is awarded a bonus within a set range of potential outcomes based on a percentage of annual base salary. For Messrs. Murdy, George and Tanner, the range is 0 to 100 percent of 10 percent of annual base salary; for Ms. Shaeff and Mr. McKenna, the range is 0 to 100 percent of 20 percent of annual base salary.

Named Executive Officer Salary Adjustments

Effective April 1, 2007, the Compensation Committee increased the base salary of Messrs. Murdy, George, Tanner, McKenna and Ms. Shaeff. Mr. Murdy's annual base salary was increased to \$560,000. Messrs. George's and Tanner's annual base salaries were increased to \$295,000. Ms. Shaeff's annual base salary was increased to \$195,000. Mr. McKenna's annual base salary was increased to \$175,000.

Long-term Incentive Plan Grants

The Committee further determined grants under the Company's Long-term Incentive Plan. These grants were determined based on the closing price of the Company's common stock on March 28, 2007, the date the Committee met to approve the grants. These grants consisted of an award of restricted stock as well as a grant of options. The restricted stock is performance as well as longevity based; it is granted on a three-year equal vesting schedule and vests only if the Company meets certain EBITDA performance requirements prior to each vesting period. Once the performance threshold is met, the awards vest on a sliding scale from 0 to 100 percent of the portion of the award scheduled to vest on a straight-line basis. The option grants vest on a three-year schedule and are not performance based.

The 2007 awards were granted to the following executives for the purpose of providing an incentive for those individuals to work for the Company's long-term success: Mr. Murdy was granted 52,764 shares of restricted stock and 43,970 options. Messrs. George and Tanner were granted 23,163 shares of restricted stock and 19,302 options respectively. Ms. Shaeff was granted 9,187 shares of restricted stock and 7,655 options. Mr. McKenna was granted 8,244 shares of restricted stock and 6,870 options.

Item 9.01 Financial Statements and Exhibits

The following exhibits are included herein:

99.1 Press release dated April 2, 2007 announcing that the Board of Directors of Comfort Systems USA, Inc. has approved a stock repurchase plan.

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.

COMFORT SYSTEMS USA, INC.

By: /s/ Trent T. McKenna
Trent T. McKenna, Vice President
and General Counsel

Date: April 3, 2007



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FOR IMMEDIATE RELEASE

COMFORT SYSTEMS USA ANNOUNCES
STOCK REPURCHASE PLAN

Houston, TX — April 2, 2007 — Comfort Systems USA, Inc. (NYSE: FIX), a leading provider of commercial, industrial and institutional heating, ventilation and air conditioning (“HVAC”) services, today announced that its Board of Directors has approved a stock repurchase program to acquire up to one million shares of its outstanding common stock.

The share repurchases will be made from time to time at the Company’s discretion in the open market or privately negotiated transactions as permitted by securities laws and other legal requirements, and subject to market conditions and other factors. The Company expects that the share repurchases will be financed with available cash. The Company’s Board of Directors may modify, suspend, extend or terminate the program at any time. As of March 31, 2007, the Company had outstanding approximately 40.9 million shares of Common Stock.

Comfort Systems USA® is a premier provider of business solutions addressing workplace comfort, with 60 locations in 53 cities around the nation. For more information, visit the Company’s website at www.comfortsystemsusa.com.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the current plans and expectations of Comfort Systems USA, Inc. and involve risks and uncertainties that could cause actual future activities and results of operations to be materially different from those set forth in the forward-looking statements. Important factors that could cause actual results to differ include, among others, national or regional weakness in non-residential construction activity, difficulty in obtaining or increased costs associated with bonding, shortages of labor and specialty building materials, the use of incorrect estimates for bidding a fixed price contract, retention of key management, the Company’s backlog failing to translate into actual revenue or profits, errors in the Company’s percentage of completion method of accounting, the result of competition in the Company’s markets, seasonal fluctuations in the demand for HVAC systems, the imposition of past and future liability from environmental, safety, and health regulations including the inherent risk associated with self-insurance, adverse litigation results and other risks detailed in the Company’s reports filed with the Securities and Exchange Commission. Important factors that could cause actual results to differ are discussed under “Item 1A. Company Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2006. These forward-looking statements speak only as of the date of this release. Comfort Systems USA, Inc. expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Comfort Systems USA, Inc.’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.