VAN KAMPEN MUNICIPAL OPPORTUNITY TRUST
Form N-CSR
December 30, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-CSR
CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES
Investment Company Act file number 811-6567
Van Kampen Municipal Opportunity Trust

(Exact name of registrant as specified in charter)
522 Fifth Avenue, New York, New York 10036

(Address of principal executive offices) (Zip code)
Edward C. Wood III
522 Fifth Avenue, New York, New York 10036

(Name and address of agent for service)
Registrant s telephone number, including area code: 212-762-4000
Date of fiscal year end: 10/31
Date of reporting period: 10/31/09

Item 1. Report to Shareholders.

The Trust s annual report transmitted to shareholders pursuant to Rule 30e-1
under the Investment Company Act of 1940 is as follows:

ANNUAL REPORT

October 31, 2009

MUTUAL FUNDS

Van Kampen
Municipal Opportunity Trust (VMO)

Privacy Notice information on the back.

Welcome, Shareholder

In this report, you ll learn about how your investment in Van Kampen Municipal Opportunity Trust performed during the annual period. The portfolio management team will provide an overview of the market conditions and discuss some of the factors that affected investment performance during the reporting period. In addition, this report includes the trust s financial statements and a list of trust investments as of October 31, 2009.

Market forecasts provided in this report may not necessarily come to pass. There is no assurance that the trust will achieve its investment objective. Trusts are subject to market risk, which is the possibility that the market values of securities owned by the trust will decline and that the value of the trust shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in this trust.

Income may subject certain individuals to the federal Alternative Minimum Tax (AMT).

Performance Summary as of 10/31/09 (Unaudited)

Municipal Opportunity Trust **Symbol: VMO** **Average Annual** **Total Returns**	**Based on** **NAV**	**Based on** **Market Price**
Since Inception (4/24/92)	6.23%	6.30%
10-year	5.54	7.28
5-year	1.44	3.90
1-year	33.74	41.33

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit vankampen.com or speak with your financial advisor. Investment returns, net asset value (NAV) and common share market price will fluctuate and trust shares, when sold, may be worth more or less than their original cost.

NAV per share is determined by dividing the value of the trust s portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding. The common share market price is the price the market is willing to pay for shares of the trust at a given time. Common share market price is influenced by a range of factors, including supply and demand and market conditions. Total return assumes an investment at the beginning of the period, reinvestment of all distributions for the period in accordance with the trust s dividend reinvestment plan, and sale of all shares at the end of the period. The trust s advisor has waived or reimbursed fees and expenses from time to time. Absent such waivers/ reimbursements the trust s returns would have been lower. Periods of less than one year are not annualized.

The Lehman Brothers Municipal Bond Index, which has been shown in the Trust s previous shareholder reports, changed its name to Barclays Capital Municipal Bond Index as of November 3, 2008. The Barclays Capital Municipal Bond Index is generally representative of investment-grade, tax exempt bonds. The Index is unmanaged and its returns do not include any sales charges or fees. Such costs would lower performance. It is not possible to invest directly in an index.

Trust Report
For the 12-month period ended October 31, 2009

Market Conditions

The municipal bond market made a dramatic turnaround during the 12-month reporting period. Following the fourth quarter of 2008, one of the worst quarters on record for the municipal bond market and broad financial markets alike, the outlook for the economy and the markets gradually began to improve. Although the economy overall remained weak, certain economic indicators stabilized in early 2009, indicating that perhaps the contraction in growth might be slowing. At the same time, the various policies enacted by the federal government to provide liquidity and ease the stress on the financial system appeared to be taking hold as credit conditions became more favorable. Investors, encouraged by these improvements, began to take on more risk, sparking a rebound in market performance. Ongoing positive news on the corporate, banking and economic fronts in the ensuing months helped to sustain the rally throughout the remainder of the reporting period.

Renewed investor risk appetite led the higher-yielding, lower quality sector of the municipal market to outperform the investment-grade sector over the past several months, a dramatic reversal from the latter months of 2008. As a result, the high yield segment of the market slightly outperformed the investment grade segment for the overall 12-month reporting period, with the Barclays Capital High Yield Municipal Bond Index returning 14.53 percent versus 13.60 percent for the Barclays Capital Municipal Bond Index. Additionally, long-maturity bonds dramatically outperformed for the period, with the long end of the municipal yield curve outperforming the 10-year segment by approximately 800 basis points.

After experiencing net outflows for much of 2008, municipal bond funds enjoyed net inflows of approximately $60 billion year-to-date. Total new issue supply declined by 3 percent year-over-year to $332 billion. Issuance of taxable Build America Bonds has been displacing that of traditional tax-exempt municipal bonds. As a result, the supply of tax-exempt issues declined by 11 percent year-over-year to $265 billion as of the end of October 2009.

Performance Analysis

The Trust s return can be calculated based upon either the market price or the net asset value (NAV) of its shares. NAV per share is determined by dividing the value of the Trust s portfolio securities, cash and other assets, less all liabilities and preferred shares, by the total number of common shares outstanding, while market price reflects the supply and demand for the shares. As a result, the two returns can differ, as they did during the reporting period. On both an NAV basis and a market price basis, the Trust outperformed the Barclays Capital Municipal Bond Index (the Index).

Total return for the 12-month period ended October 31, 2009

Based on NAV	Based on Market Price	Barclays Capital Municipal Bond Index
33.74%	41.33%	13.60%

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. Investment return, net asset value and common share market price will fluctuate and Trust shares, when sold, may be worth more or less than their original cost. See Performance Summary for additional performance information and index definition.

The Trust s performance relative to the Index for the reporting period was primarily attributable to the following factors:

An overweight in **lower quality bonds,** particularly A and BBB rated issues, helped performance as these bonds have performed well, recovering from the extremely risk-averse environment of late 2008. Many of these holdings are in the health care and industrial development revenue/pollution control revenue (IDR/PCR) sectors.

A position in **non-rated bonds,** which are not represented in the Index, was additive to returns as spreads on these issues have tightened considerably from the historically wide levels reached last year.

With regard to the Trust s **yield-curve positioning,** an overweight on the longer end of the curve was advantageous as longer maturity issues significantly outperformed shorter maturity issues for the reporting period.

The Trust s **housing bonds,** which had an average credit rating of AA, and **tobacco bonds** also enhanced relative returns as strong demand drove prices in these sectors higher.

However, the Trust s exposure to **pre-refunded bonds** held back relative performance as these high quality, short maturity issues underperformed for the period.

The Trust s Board of Trustees has approved a procedure whereby the Trust may, when appropriate, repurchase its shares in the open market or in privately negotiated transactions at a price not above market value or NAV, whichever is lower at the time of purchase. This may help support the market value of the Trust s shares.

Market Outlook

While certain economic indicators are showing some stabilization, the outlook for the economy is uncertain particularly due to continued job market deterioration. In the near term, we expect somewhat volatile markets as investors develop a clearer view of economic fundamentals in the U.S. and abroad. Amid this uncertainty, we do not expect any move towards tighter monetary policy over the next several months. Longer term, we expect to see credit quality improve as the economy rebounds, leading to further credit spread tightening. However, now that municipal bond prices have returned to levels more reflective of historical averages, going forward we do not expect to see the same level of returns the municipal market has experienced year-to-date.

There is no guarantee that any sectors mentioned will continue to perform as discussed herein or that securities in such sectors will be held by the Trust in the future.

Ratings Allocation as of 10/31/2009 (Unaudited)

AAA/Aaa	25.8%
AA/Aa	28.0
A/A	20.6
BBB/Baa	13.0
BB/Ba	1.2
B/B	0.1
Non-Rated	11.3

Top Five Sectors as of 10/31/2009 (Unaudited)

Hospital	20.0%
Airports	11.7
General Purpose	8.3
Wholesale Electric	7.9
Utilities	6.1

Summary of Investments by State/Country Classification as of 10/31/2009 (Unaudited)

Texas	13.5%
Illinois	10.0
California	9.7
New Jersey	7.4
Florida	6.7
New York	5.8
Washington	4.9
Ohio	4.1
North Carolina	3.3
Georgia	3.1
Arizona	3.0
South Carolina	2.9
District of Columbia	2.7
Missouri	2.2
Colorado	1.7
Kentucky	1.7
Nevada	1.5
Wisconsin	1.5
Louisiana	1.3
Pennsylvania	1.2
Massachusetts	1.2
Indiana	1.1
Tennessee	0.9
Oklahoma	0.9
Connecticut	0.8
Alabama	0.7

Kansas	0.7
Michigan	0.6
Iowa	0.6
Maryland	0.5
Minnesota	0.5
New Hampshire	0.4
West Virginia	0.4
Utah	0.4
Puerto Rico	0.4

(continued on next page)

Summary of Investments by State/Country Classification as of 10/31/2009 (Unaudited)

(continued from previous page)

Idaho	0.3
New Mexico	0.3
Wyoming	0.3
Virginia	0.3
Alaska	0.3
South Dakota	0.2
Total Investments	100.0%

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown above. Ratings allocation and summary of investments by state/country classification are as a percentage of total investments. Sectors are as a percentage of total long-term investments. Securities are classified by sectors that represent broad groupings of related industries.

Van Kampen is a wholly owned subsidiary of a global securities firm which is engaged in a wide range of financial services including, for example, securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Rating allocations based upon ratings as issued by Standard and Poor s and Moody s, respectively.

Portfolio Management

Van Kampen Municipal Opportunity Trust is managed by members of the Adviser s Municipal Fixed Income team. The Municipal Fixed Income team consists of portfolio managers and analysts. The current members of the team jointly and primarily responsible for the day-to-day management of the Trust s portfolio are Thomas Byron, an Executive Director of the Adviser, Robert J. Stryker, an Executive Director of the Adviser, and Robert W. Wimmel, an Executive Director of the Adviser.

Mr. Byron has been associated with the Adviser in an investment management capacity since 1981 and began managing the Trust in December 2009. Mr. Stryker has been associated with the Adviser in an investment management capacity since 1994 and began managing the Trust in December 2009. Mr. Wimmel has been associated with the Adviser in an investment management capacity since 1996 and began managing the Trust in November 2001. All team members are responsible for the execution of the overall strategy of the Trust s portfolio. The composition of the team may change from time to time.

Derivatives Policy

The Trust has amended and restated its policy on derivatives to permit it to invest in the derivative investments discussed below.

The Trust may use derivative instruments for a variety of purposes, including hedging, risk management, portfolio management or to earn income. Derivatives are financial instruments whose value is based on the value of another underlying asset, interest rate, index or financial instrument. A derivative instrument often has risks similar to its underlying instrument and may have additional risks, including imperfect correlation between the value of the derivative and the underlying instrument, risks of default by the other party to certain transactions, magnification of losses incurred due to changes in the market value of the securities, instruments, indices or interest rates to which they relate, and risks that the transactions may not be liquid. The use of derivatives involves risks that are different from, and possibly greater than, the risks associated with other portfolio investments. Derivatives may involve the use of highly specialized instruments that require investment techniques and risk analyses different from those associated with other portfolio investments. Certain derivative transactions may give rise to a form of leverage. Leverage associated with derivative transactions may cause the Trust to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet earmarking or segregation requirements, pursuant to applicable SEC rules and regulations, or may cause the Trust to be more volatile than if the Trust had not been leveraged. Although the Investment Adviser seeks to use derivatives to further the Trust s investment objective, there is no assurance that the use of derivatives will achieve this result.

Following is a description of the derivative instruments and techniques that the Trust may use and their associated risks:

Futures. A futures contract is a standardized agreement between two parties to buy or sell a specific quantity of an underlying instrument at a specific price at a specific future time. The value of a futures contract tends to increase and decrease in tandem with the value of the underlying instrument. Futures contracts are bilateral agreements, with both the purchaser and the seller equally obligated to complete the transaction. Depending on the terms of the particular contract, futures contracts are settled through either physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. A decision as to whether, when and how to use futures involves the exercise of skill and judgment and even a well conceived futures transaction may be unsuccessful because of market behavior or unexpected events. In addition to the derivatives risks discussed above, the prices of futures can be highly volatile, using futures can lower total return, and the potential loss from futures can exceed the Trust s initial investment in such contracts.

Swaps. A swap contract is an agreement between two parties pursuant to which the parties exchange payments at specified dates on the basis of a specified notional amount, with the payments calculated by reference to specified securities, indexes, reference rates, currencies or other instruments. Most swap agreements provide that when the period payment dates for both parties are the same, the payments are made on a net basis (i.e., the two payment streams are netted out, with only the net amount paid by one party to the other). The Trust s obligations or rights under a swap contract entered into on a net basis will generally be equal only to the net amount to be paid or received under the agreement, based on the relative values of the positions held by each counterparty. Swap agreements are not entered into or traded on exchanges and there is no central clearing or guaranty function for swaps. Therefore, swaps are subject to credit risk or the risk of default or non-performance by the counterparty. Swaps could result in losses if interest rate or credit quality changes are not correctly anticipated by the Trust or if the reference index, security or investments do not perform as expected**.**

Inverse Floaters. Inverse floating rate obligations are obligations which pay interest at rates that vary inversely with changes in market rates of interest. Because the interest rate paid to holders of such obligations is generally determined by subtracting a variable or floating rate from a predetermined amount, the interest rate paid to holders of such obligations will decrease as such variable or floating rate increases and increase as such variable or floating rate decreases. Like most other fixed-income securities, the value of inverse floaters will decrease as interest rates increase. They are more volatile, however, than most other fixed-income securities because the coupon rate on an inverse floater typically changes at a multiple of the change in the relevant index rate. Thus, any rise in the index rate (as a consequence of an increase in interest rates) causes a correspondingly greater drop in the coupon rate of an inverse floater while a drop in the index rate causes a correspondingly greater increase in the coupon of an inverse floater. Some inverse floaters may also increase or decrease substantially because of changes in the rate of prepayments.

Inverse Floating Rate Municipal Obligations. The inverse floating rate municipal obligations in which the Trust may invest include derivative instruments such as residual interest bonds (RIBs) or tender option bonds (TOBs). Such instruments are typically created by a special purpose trust that holds long-term fixed rate bonds and sells two classes of beneficial interests: short-term floating rate interests, which are sold to third party investors, and inverse floating residual interests, which are purchased by the Trust. The short-term floating rate interests have first priority on the cash flow from the bond held by the special purpose trust and the Trust is paid the residual cash flow from the bond held by the special purpose trust.

Inverse floating rate investments are variable debt instruments that pay interest at rates that move in the opposite direction of prevailing interest rates. Inverse floating rate investments tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Inverse floating rate investments have varying degrees of liquidity.

The Trust generally invests in inverse floating rate investments that include embedded leverage, thus exposing the Trust to greater risks and increased costs. The market value of a leveraged inverse floating rate investment generally will fluctuate in response to changes in market rates of interest to a greater extent than the value of an unleveraged investment. The extent of increases and decreases in the value of inverse floating rate investments generally will be larger than changes in an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity, which may cause the Trust s net asset value to be more volatile than if it had not invested in inverse floating rate investments.

In certain instances, the short-term floating rate interests created by the trust may not be able to be sold to third parties or, in the case of holders tendering (or putting) such interests for repayment of principal, may not be able to be remarketed to third parties. In such cases, the trust holding the long-term fixed rate bonds may be collapsed. In the case of floaters created by the Trust, the Trust will then be required to repay the principal amount of the tendered securities. During times of market volatility, illiquidity or uncertainty, the Trust could be required to sell other portfolio holdings at a disadvantageous time to raise cash to meet that obligation.

For More Information About Portfolio Holdings

Each Van Kampen trust provides a complete schedule of portfolio holdings in its semiannual and annual reports within 60 days of the end of the trust s second and fourth fiscal quarters. The semiannual reports and the annual reports are filed electronically with the Securities and Exchange Commission (SEC) on Form N-CSRS and Form N-CSR, respectively. Van Kampen also delivers the semiannual and annual reports to fund shareholders, and makes these reports available on its public Web site, www.vankampen.com. In addition to the semiannual and annual reports that Van Kampen delivers to shareholders and makes available through the Van Kampen public Web site, each fund files a complete schedule of portfolio holdings with the SEC for the trust s first and third fiscal quarters on Form N-Q. Van Kampen does not deliver the reports for the first and third fiscal quarters to shareholders, nor are the reports posted to the Van Kampen public Web site. You may, however, obtain the Form N-Q filings (as well as the Form N-CSR and N-CSRS filings) by accessing the SEC s Web site, http://www.sec.gov. You may also review and copy them at the SEC s Public Reference Room in Washington, D.C. Information on the operation of the SEC s Public Reference Room may be obtained by calling the SEC at (800) SEC-0330. You can also request copies of these materials, upon payment of a duplicating fee, by electronic request at the SEC s e-mail address (publicinfo@sec.gov) or by writing the Public Reference section of the SEC, Washington, DC 20549-1520.

You may obtain copies of a trust s fiscal quarter filings by contacting Van Kampen Client Relations at (800) 341-2929.

Proxy Voting Policy and Procedures and Proxy Voting Record

You may obtain a copy of the Trust s Proxy Voting Policy and Procedures without charge, upon request, by calling toll free (800) 341-2929 or by visiting our Web site at www.vankampen.com. It is also available on the Securities and Exchange Commission s Web site at http://www.sec.gov.

You may obtain information regarding how the Trust voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 without charge by visiting our Web site at www.vankampen.com. This information is also available on the Securities and Exchange Commission s Web site at http://www.sec.gov.

Investment Advisory Agreement Approval

Both the Investment Company Act of 1940 and the terms of the Fund s investment advisory agreement require that the investment advisory agreement between the Fund and its investment adviser be approved annually both by a majority of the Board of Trustees and by a majority of the independent trustees voting separately.

At meetings held on April 17, 2009 and May 20-21, 2009, the Board of Trustees, and the independent trustees voting separately, considered and ultimately determined that the terms of the investment advisory agreement are fair and reasonable and approved the continuance of the investment advisory agreement as being in the best interests of the Fund and its shareholders. In making its determination, the Board of Trustees considered materials that were specifically prepared by the investment adviser at the request of the Board and Fund counsel, and by an independent provider of investment company data contracted to assist the Board, relating to the investment advisory agreement review process. The Board also considered information received periodically about the portfolio, performance, the investment strategy, portfolio management team and fees and expenses of the Fund. Finally, the Board considered materials it had received in connection with fee waivers currently in place for the Fund and materials it had received in connection with the share repurchase program currently in place for the Fund. The Board of Trustees considered the investment advisory agreement over a period of several months and the trustees held sessions both with the investment adviser and separate from the investment adviser in reviewing and considering the investment advisory agreement.

In approving the investment advisory agreement, the Board of Trustees considered, among other things, the nature, extent and quality of the services provided by the investment adviser, the performance, fees and expenses of the Fund compared to other similar funds and other products, the investment adviser s expenses in providing the services and the profitability of the investment adviser and its affiliated companies. The Board of Trustees considered the extent to which any economies of scale experienced by the investment adviser are shared with the Fund s shareholders, and the propriety of breakpoints in the Fund s investment advisory fee schedule. The Board of Trustees considered comparative advisory fees of the Fund and other investment companies and/or other products at different asset levels, and considered the trends in the industry. The Board of Trustees evaluated other benefits the investment adviser and its affiliates derive from their relationship with the Fund. The Board of Trustees reviewed information about the foregoing factors and considered changes, if any, in such information since its previous approval. The Board of Trustees discussed the financial strength of the investment adviser and its affiliated companies and the capability of the personnel of the investment adviser, and specifically the strength and background of its portfolio management personnel. The Board of Trustees reviewed the statutory and regulatory requirements for approval and disclosure of investment advisory agreements. The Board of Trustees, including the independent trustees, evaluated all of the foregoing and does not believe any single factor or group of factors control or dominate the review process, and, after considering all factors together, has determined, in the exercise of its business judgment, that approval of the investment advisory agreement is in the best interests of the Fund and its shareholders. The following summary provides more detail on certain matters considered but does not detail all matters considered.

Nature, Extent and Quality of the Services Provided. On a regular basis, the Board of Trustees considers the roles and responsibilities of the investment adviser as a whole and those specific to portfolio management, support and trading functions servicing the Fund. The trustees discuss with the investment adviser the resources available and used in managing the Fund and changes made in the Fund s portfolio management team and the Fund s portfolio management strategy over time. The trustees also discuss certain other services which are provided on a cost-reimbursement basis by the investment adviser or its affiliates to the Van Kampen funds including certain accounting, administrative and legal services. The Board has determined that the nature, extent and quality of the services provided by the investment adviser support its decision to approve the investment advisory agreement.

Performance, Fees and Expenses of the Fund. On a regular basis, the Board of Trustees reviews the performance, fees and expenses of the Fund compared to its peers and to appropriate benchmarks. In addition, the Board spends more focused time on the performance of the Fund and other funds in the Van Kampen complex, paying specific attention to underperforming funds. The trustees discuss with the investment adviser the performance goals and the actual results achieved in managing the Fund. When considering a fund s performance, the trustees and the investment adviser place emphasis on trends and longer-term returns (focusing on one-year, three-year and five-year performance with special attention to three-year performance) and, when a fund s weighted performance is under the fund s benchmark or peers, they discuss the causes and where necessary seek to make specific changes to investment strategy or investment personnel. The Fund discloses more information about its performance elsewhere in this report. The trustees discuss with the investment adviser the level of advisory fees for this Fund relative to comparable funds and other products advised by the adviser and others in the marketplace. The trustees review not only the advisory fees but other fees and expenses (whether paid to the adviser, its affiliates or others) and the Fund s overall expense ratio. The Board has determined that the performance, fees and expenses of the Fund support its decision to approve the investment advisory agreement.

Investment Adviser s Expenses in Providing the Service and Profitability. At least annually, the trustees review the investment adviser s expenses in providing services to the Fund and other funds advised by the investment adviser and the profitability of the investment adviser. These profitability reports are put together by the investment adviser with the oversight of the Board. The trustees discuss with the investment adviser its revenues and expenses, including, among other things, revenues for advisory services, portfolio management-related expenses, revenue sharing arrangement costs and allocated expenses both on an aggregate basis and per fund. The Board has determined that the analysis of the investment adviser s expenses and profitability support its decision to approve the investment advisory agreement.

Economies of Scale. On a regular basis, the Board of Trustees considers the size of the Fund and how that relates to the Fund s expense ratio and particularly the Fund s advisory fee rate. In conjunction with its review of the investment adviser s profitability, the trustees discuss with the investment adviser how more (or less) assets can affect the efficiency or effectiveness of managing the Fund s portfolio and whether the advisory fee level is appropriate relative to current asset levels and/or whether the advisory fee structure reflects economies of scale as asset levels change. The Board has determined that its review of the actual and potential economies of scale of the Fund support its decision to approve the investment advisory agreement.

Other Benefits of the Relationship. On a regular basis, the Board of Trustees considers other benefits to the investment adviser and its affiliates derived from the investment adviser s relationship with the Fund and other funds advised by the investment adviser. These benefits include, among other things, fees for transfer agency services provided to the funds, in certain cases research received by the adviser generated from commission dollars spent on funds portfolio trading, and in certain cases distribution or service related fees related to funds sales. The trustees review with the investment adviser each of these arrangements and the reasonableness of its costs relative to the services performed. The Board has determined that the other benefits received by the investment adviser or its affiliates support its decision to approve the investment advisory agreement.

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n October 31, 2009

Par Amount (000)	Description	Coupon	Maturity	Value
	Municipal Bonds 179.2%			
	Alabama 1.3%			
$ 1,000	Alabama Bldg Renovation Fin Auth Rev Rfdg (AMBAC Insd)	5.625%	09/01/24	$ 1,023,130
1,975	Bessemer, AL Governmental Util Svc Corp Wtr Supply Rev Rfdg, Ser A (AGL Insd) (a)	5.000	06/01/39	1,996,794
1,250	Healthcare Auth for Baptist Hlth AL, Ser A (b)	6.125	11/15/36	1,316,500
1,600	Huntsville Redstone Vlg, AL Spl Care Fac Fin Auth Redstone Vlg Proj	5.500	01/01/43	1,172,592
5	Mobile, AL Indl Dev Brd Solid Waste Disp Rev Mobile Energy Svc Co Proj Rfdg (c)	6.950	01/01/20	434
				5,509,450
	Alaska 0.4%			
3,000	Northern Tob Sec Corp AK Tob Settlement Rev Asset Bkd, Ser A	5.000	06/01/46	1,993,500
	Arizona 5.4%			
1,425	Arizona Cap Fac Fin Corp Student Hsg Rev AZ St Univ Proj	6.250	09/01/32	1,333,045
1,575	Arizona St Trans Brd Hwy Rev, Ser B (a)	5.000	07/01/25	1,702,528
2,365	Arizona St Trans Brd Hwy Rev, Ser B (a)	5.000	07/01/26	2,550,179
3,000	Goodyear, AZ McDowell Rd Coml Corridor Impt Dist Impt (AMBAC Insd)	5.250	01/01/32	2,893,200
2,050	Maricopa Cnty, AZ Indl Dev Auth Hlth Fac Rev Catholic Hlthcare West, Ser C (b)	5.000	07/01/38	2,168,633
1,125	Maricopa Cnty, AZ Pollutn Ctl Corp Pollutn Ctl Rev Rfdg AZ Pub Svc Co, Ser B (b)	5.500	05/01/29	1,171,339
1,500	Maricopa Cnty, AZ Stad Dist Rfdg (AMBAC Insd)	5.375	06/01/19	1,561,140
575	Navajo Cnty, AZ Pollutn Ctl Corp Rev, Ser C (b)	5.500	06/01/34	594,786
675	Navajo Cnty, AZ Pollutn Ctl Corp Rev, Ser E (b)	5.750	06/01/34	691,213
2,100	Pima Cnty, AZ Indl Dev Auth Global Wtr Resh LLC Proj (AMT)	6.550	12/01/37	1,968,288
175		7.250	07/15/10	175,975

	Pima Cnty, AZ Indl Dev Auth Indl Rev Lease Oblig Irvington Proj Tucson Rfdg, Ser A (FSA Insd)			
1,930	Salt Riv Proj AZ Agric Impt & Pwr Dist Elec Sys Rev, Ser A (a)	5.000	01/01/28	2,062,301
5,265	University of AZ Med Ctr Corp	5.000	07/01/35	4,810,420
				23,683,047
	California 17.4%			
2,630	Anaheim, CA Pub Fin Auth Lease Rev Cap Apprec Sub Pub Impt Proj, Ser C (FSA Insd)	*	09/01/20	1,496,312
2,400	Bay Area Govt Assn CA Rev Tax Alloc CA Redev Pool, Ser A (Syncora Gtd)	5.250	09/01/29	2,218,824
4,000	Bay Area Toll Auth CA Toll Brdg Rev San Francisco Bay Area, Ser F-1 (a)	5.000	04/01/39	4,065,800
750	Beverly Hills, CA Uni Sch Dist Cap Apprec 2008 Election	*	08/01/28	290,085

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	California (Continued)			
$ 1,050	California Cnty, CA Tob Sec Agy Asset Bkd Merced Cnty Rfdg, Ser A	5.125%	06/01/38	$ 782,355
1,750	California Cnty, CA Tob Sec Agy Asset Bkd Sonoma Cnty Corp Rfdg	5.250	06/01/45	1,188,162
1,000	California Hlth Fac Fin Auth Rev Catholic Hlthcare West, Ser A	6.000	07/01/34	1,054,670
4,200	California Hsg Fin Agy Rev Home Mtg, Ser G (AMT) (a)	4.950	08/01/23	3,936,429
2,800	California Hsg Fin Agy Rev Home Mtg, Ser G (AMT) (a)	5.050	02/01/29	2,537,024
2,900	California Hsg Fin Agy Rev Home Mtg, Ser K (AMT) (a)	5.300	08/01/23	2,822,497
3,400	California Hsg Fin Agy Rev Home Mtg, Ser K (AMT) (a)	5.450	08/01/28	3,249,788
2,000	California Pollutn Ctl Fin Auth Solid Waste Disp Rev Waste Mgmt Inc Proj, Ser B (AMT)	5.000	07/01/27	1,892,060
5	California Rural Home Mtg Fin Auth Single Family Mtg Rev, Ser C (GNMA Collateralized) (AMT)	7.800	02/01/28	5,109
420	California St (AMBAC Insd)	5.125	10/01/27	419,975
725	California St Dept Wtr Res Wtr Rev Cent Vly Proj, Ser AE (a)	5.000	12/01/24	793,603
900	California St Dept Wtr Res Wtr Rev Cent Vly Proj, Ser AE (a)	5.000	12/01/25	980,253
900	California St Dept Wtr Res Wtr Rev Cent Vly Proj, Ser AE (a)	5.000	12/01/26	978,120
525	California St Dept Wtr Res Wtr Rev Cent Vly Proj, Ser AE (a)	5.000	12/01/27	565,388
900	California St Dept Wtr Res Wtr Rev Cent Vly Proj, Ser AE (a)	5.000	12/01/28	967,882
1,800	California St Econ Recovery Rfdg, Ser A	5.250	07/01/21	1,877,436
2,000	California St Pub Wk Brd Lease Rev Dept Mental Hlth Coalinga, Ser A	5.000	06/01/25	1,900,160
1,150	California St Var Purp	5.750	04/01/31	1,183,637
5,000	California Statewide Cmnty Dev Auth Rev Hlth Fac Adventist Hlth, Ser A	5.000	03/01/30	4,778,350
2,020	California Statewide Cmnty Dev Auth Rev Hlth Fac Adventist Hlth, Ser A	5.000	03/01/35	1,864,521
1,250		5.000	04/01/19	1,320,613

	California Statewide Cmnty Dev Auth Rev Kaiser Permanente, Ser A			
410	Daly City, CA Hsg Dev Fin Agy Mobile Home Pk Rev Rfdg Third Tier Franciscan, Ser C	6.500	12/15/47	343,186
5,000	Foothill/Eastern Corridor Agy CA Toll Rd Rev Cap Apprec Rfdg	*	01/15/25	1,769,000
4,000	Foothill/Eastern Corridor Agy CA Toll Rd Rev Conv Cap Apprec Sr Lien, Ser A (b) (d)	7.050	01/01/10	4,045,840

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	California (Continued)			
$ 775	Golden St Tob Sec Corp CA Tob Settlement Rev Asset Bkd Sr, Ser A-1	4.500%	06/01/27	$ 671,755
4,160	Golden St Tob Sec Corp CA Tob Settlement, Ser A-1	5.750	06/01/47	3,073,741
155	Morongo Band of Mission Indians CA Enterprise Rev Indians Enterprise Casino, Ser B (e)	5.500	03/01/18	143,755
1,460	Quechan Indian Tribe Ft Yuma Indian Reservation CA & Govt Proj	7.000	12/01/27	1,146,275
3,500	Rancho Mirage, CA Jt Pwrs Eisenhower Med Ctr, Ser A	5.000	07/01/47	3,157,945
1,150	San Francisco, CA City & Cnty Arpt Commn Intl Arpt Rfdg, Ser A-4 (AMT) (b)	6.500	05/01/19	1,241,736
2,400	Tobacco Sec Auth Northn CA Tob Settlement Rev Asset Bkd, Ser A-1	5.375	06/01/38	1,886,424
1,600	Tobacco Sec Auth Northn CA Tob Settlement Rev Asset Bkd, Ser A-1	5.500	06/01/45	1,133,344
6,000	Tobacco Sec Auth Southn CA Tob Settlement, Ser A-1	5.000	06/01/37	4,518,780
10,000	Tobacco Sec Auth Southn CA Tob Settlement, Ser A-1	5.125	06/01/46	6,625,900
1,600	Turlock, CA Hlth Fac Rev Ctf Partn Emanuel Med Ctr Inc	5.375	10/15/34	1,353,120
2,000	Vernon, CA Elec Sys Rev, Ser A	5.125	08/01/21	2,057,700
				76,337,554
	Colorado 3.0%			
500	Colorado Hlth Fac Auth Hlth & Residential Care Fac Volunteers of Amer Care, Ser A	5.250	07/01/27	399,515
375	Colorado Hlth Fac Auth Hlth & Residential Care Fac Volunteers of Amer Care, Ser A	5.300	07/01/37	272,857
4,475	Colorado Hlth Fac Auth Rev Catholic Hlth, Ser C-5 (FSA Insd) (a)	5.000	09/01/36	4,524,449
3,700	Colorado Hlth Fac Auth Rev Evangelical Lutheran	5.000	06/01/35	3,353,310
1,000	Colorado Hlth Fac Auth Rev Hosp Portercare Adventist Hlth (Prerefunded @ 11/15/11)	6.500	11/15/31	1,117,200

645	Colorado Hsg Fin Auth Multi-Family Hsg Ins Mtg, Ser B-2 (FHA Gtd) (AMT)	5.800	10/01/28	645,310
10	Colorado Hsg Fin Auth Single Family Pgm Sr, Ser A-2 (AMT)	7.250	05/01/27	10,189
530	Highlands Ranch Metro Dist No 2 CO (FSA Insd) (d)	6.500	06/15/11	580,233
470	Highlands Ranch Metro Dist No 2 CO (FSA Insd)	6.500	06/15/11	513,057
925	Montezuma Cnty, CO Hosp Dist Hlth Fac Enterprise Hosp Rfdg (c)	5.900	10/01/37	734,931
1,500	Salida, CO Hosp Dist Rev	5.250	10/01/36	1,069,455
				13,220,506
	Connecticut 1.5%			
6,500	Connecticut St Spl Oblig Pkg Rev Bradley Intl Arpt, Ser A (ACA Insd) (AMT)	6.600	07/01/24	5,394,870

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Connecticut (Continued)			
$ 1,000	Hartford, CT Pkg Sys Rev, Ser A (Prerefunded @ 7/01/10)	6.400%	07/01/20	$ 1,040,030
				6,434,900
	District of Columbia 4.9%			
2,215	District Columbia Hosp Rev Sibley Mem Hosp	6.375	10/01/34	2,351,090
700	District Columbia Hosp Rev Sibley Mem Hosp	6.500	10/01/29	761,866
2,500	District Columbia Rev Gonzaga College (FSA Insd)	5.250	07/01/32	2,413,100
700	District Columbia Wtr & Swr Auth Pub Util Rev Rfdg Sub Lien, Ser A (AGL Insd) (a)	5.000	10/01/29	721,822
1,425	District Columbia Wtr & Swr Auth Pub Util Rev Rfdg Sub Lien, Ser A (AGL Insd) (a)	5.000	10/01/34	1,438,224
8,000	District Columbia Wtr & Swr Auth Pub Util Rev Sub Lien, Ser A (FSA Insd)	5.500	10/01/41	8,311,600
5,350	Metropolitan Washington DC Arpt Auth Sys, Ser A (NATL Insd) (AMT)	5.250	10/01/32	5,375,573
				21,373,275
	Florida 11.9%			
1,000	Alachua Cnty, FL Indl Dev Rev North FL Retirement Vlg	5.875	11/15/36	810,440
500	Alachua Cnty, FL Indl Dev Rev North FL Retirement Vlg	5.875	11/15/42	382,890
340	Beacon Lakes, FL Cmnty Dev FL Spl Assmt, Ser A	6.000	05/01/38	258,607
250	Beacon Lakes, FL Cmnty Dev FL Spl Assmt Sub Ser B	6.200	05/01/38	180,102
1,240	Brevard Cnty, FL Hlth Fac Auth Residential Care Fac Rev Buena Vida Estates Inc	6.750	01/01/37	1,079,457
375	Escambia Cnty, FL Hlth Auth Rev FL Hlthcare Fac Ln VHA Pgm (AMBAC Insd)	5.950	07/01/20	382,714
2,540	Florida St Tpk Auth Tpk Rev Dept Trans Rfdg, Ser A (a)	5.000	07/01/26	2,661,768
2,580		5.000	07/01/27	2,692,307

	Florida St Tpk Auth Tpk Rev Dept Trans Rfdg, Ser A (a)			
2,805	Florida St Tpk Auth Tpk Rev Dept Trans Rfdg, Ser A (a)	5.000	07/01/28	2,910,706
2,500	Florida St Tpk Auth Tpk Rev Dept Trans Rfdg, Ser A (a)	5.000	07/01/32	2,552,750
780	Highlands, FL Cmnty Dev Dist Spl Assmt	5.550	05/01/36	407,285
900	Hillsborough Cnty, FL Aviation Auth Rev, Ser A (AGL Insd) (AMT) (a)	5.375	10/01/33	905,346
2,000	Hillsborough Cnty, FL Aviation Auth Rev, Ser A (AGL Insd) (AMT) (a)	5.500	10/01/38	2,016,740
700	Hillsborough Cnty, FL Indl Dev Auth Pollutn Ctl Rev Hillsborough Cnty Ida Rfdg (AMBAC Insd) (b)	5.000	12/01/34	726,243
775	Hillsborough Cnty, FL Indl Dev Auth Pollutn Ctl Rev Tampa Elec, Ser B (b)	5.150	09/01/25	805,527

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Florida (Continued)			
$ 670	Main Str Cmnty Dev Dist FL Cap Impt Rev, Ser A (Acquired 2/19/08, Cost $670,642) (f)	6.800%	05/01/38	$ 501,301
400	Main Str Cmnty Dev Dist FL Cap Impt Rev, Ser B (Acquired 2/19/08, Cost $400,383) (f)	6.900	05/01/17	348,864
2,100	Miami-Dade Cnty, FL Aviation Rev Miami Intl Arpt (AGL Insd) (AMT)	5.375	10/01/27	2,107,476
2,500	Miami-Dade Cnty, FL Aviation Rev Miami Intl Arpt (AGC Insd) (AMT)	5.375	10/01/32	2,505,550
570	Midtown Miami, FL Cmnty Dev FL Spl Assmt Rev, Ser A	6.000	05/01/24	479,644
2,375	North Broward, FL Hosp Dist Rev Impt (Prerefunded @ 1/15/11)	6.000	01/15/31	2,538,566
1,525	Orange Cnty, FL Hlth Fac Auth Rev First Mtg Orlando Lutheran Tower	5.500	07/01/32	1,181,128
545	Overoaks, FL Cmnty Dev Dist Cap Impt Rev, Ser A (g)	6.125/2.000	05/01/35	294,229
1,000	Palm Beach Cnty, FL Hlth Fac Auth Rev Wtrford Proj	5.875	11/15/37	865,860
2,400	Palm Beach Cnty, FL Solid Waste Auth Rev Impt (BHAC Insd) (a)	5.500	10/01/23	2,673,576
5,500	Port St Lucie, FL Spl Assmt Rev Southwest Annexation Dist 1-B (NATL Insd)	5.000	07/01/40	4,737,920
2,900	Putnam Cnty, FL Dev Auth Pollutn Ctl Rev Rfdg Seminole Proj, Ser A (AMBAC Insd) (b)	5.350	03/15/42	3,057,905
490	Reunion East Cmnty Dev Dist FL Spl Assmt	5.800	05/01/36	270,651
750	Seminole Tribe FL Spl Oblig Rev, Ser A (e)	5.750	10/01/22	728,678
870	Seven Oaks, FL Cmnty Dev Dist II Spl Assmt Rev, Ser A	5.875	05/01/35	491,985
7,510	South Miami, FL Hlth Fac Auth Hosp Rev Baptist Hlth South FL Group (a)	5.000	08/15/32	7,300,659
1,720	South Vlg Cmnty Dev Dist FL Cap Impt Rev, Ser A	5.700	05/01/35	1,049,183
750		6.200	05/01/35	683,235

	Sterling Hill Cmnty Dev Dist FL Cap Impt Rev, Ser A			
2,100	Tolomato Cmnty, FL Dev Dist Spl Assmt	6.650	05/01/40	1,609,881
475	World Commerce Cmnty Dev Dist FL Spl Assmt (g)	5.500/2.000	05/01/38	186,860
				52,386,033
	Georgia 5.6%			
5,000	Atlanta, GA Arpt Passenger Fac Charge Rev Gen Sub Lien, Ser C (FSA Insd) (a)	5.000	01/01/33	5,057,725
1,000	Atlanta, GA Arpt Rev, Ser B (NATL Insd) (AMT)	5.625	01/01/30	1,000,420
1,150	Atlanta, GA Wtr & Wastewtr Rev, Ser A	6.000	11/01/27	1,212,790
1,250	Atlanta, GA Wtr & Wastewtr Rev, Ser A	6.000	11/01/28	1,315,275
1,150	Atlanta, GA Wtr & Wastewtr Rev, Ser A	6.000	11/01/29	1,230,304
271	Fulton Cnty, GA Lease Rev (Acquired 12/23/94, Cost $271,405) (f)	7.250	06/15/10	274,891
7,000	Georgia Muni Elec Auth Pwr Rev, Ser A (MBIA Insd)	6.500	01/01/20	8,203,720

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Georgia (Continued)			
$ 3,770	Monroe Cnty, GA Dev Auth Pollutn Ctl Rev Oglethorpe Pwr Corp Scherer, Ser A	6.800%	01/01/12	$ 4,117,443
1,000	Oconee Cnty, GA Indl Dev Auth Rev Oiit Proj (Syncora Gtd)	5.250	07/01/25	1,021,990
1,200	Putnam Cnty, GA Dev Auth Pollutn Ctl Rev GA Pwr Co, Ser 1	5.100	06/01/23	1,221,636
				24,656,194
	Idaho 0.6%			
750	Idaho Hlth Fac Auth Rev Saint Lukes Hlth Sys Proj, Ser A	6.500	11/01/23	839,992
1,000	Idaho Hlth Fac Auth Rev Saint Lukes Hlth Sys Proj, Ser A	6.750	11/01/37	1,097,500
800	Idaho Hlth Fac Auth Rev Vly Vista Care Corp Rfdg (c)	6.125	11/15/27	682,480
				2,619,972
	Illinois 18.0%			
1,250	Bartlett, IL Tax Increment Rev Rfdg Sr Lien Quarry Redev Proj	5.600	01/01/23	970,000
1,365	Bolingbrook, IL Cap Apprec, Ser B (NATL Insd)	*	01/01/30	449,249
2,600	Chicago, IL Brd of Ed Rfdg, Ser C (FSA Insd) (a)	5.000	12/01/27	2,688,140
4,600	Chicago, IL Brd of Ed Rfdg, Ser C (FSA Insd)	5.000	12/01/27	4,755,940
3,150	Chicago, IL O Hare Intl Arpt Rev Gen Arpt Third Lien Rfdg, Ser A (NATL Insd) (AMT)	5.375	01/01/32	2,980,152
10,900	Chicago, IL O Hare Intl Arpt Rev Gen Arpt Third Lien, Ser A (AGC Insd) (a)	5.250	01/01/24	11,413,172
10,000	Chicago, IL O Hare Intl Arpt Rev Gen Arpt Third Lien, Ser A (AGC Insd) (a)	5.250	01/01/25	10,426,850
3,855	Chicago, IL O Hare Intl Arpt Rev Gen Arpt Third Lien, Ser A (AGC Insd) (a)	5.250	01/01/26	4,004,805
615	Chicago, IL Pk Dist, Ser C (NATL Insd)	5.500	01/01/19	647,497
1,450	Chicago, IL, Ser A (AGL Insd) (a)	5.250	01/01/25	1,568,871

4,500	Cook Cnty, IL Cap Impt, Ser A (NATL Insd)	5.000	11/15/23	4,543,290
1,100	Illinois Fin Auth Hosp Rev Rfdg Kish Hlth Sys Oblig Group	5.500	10/01/22	1,102,255
2,300	Illinois Fin Auth Rev Christian Homes Inc Rfdg, Ser A	5.750	05/15/26	1,792,827
1,000	Illinois Fin Auth Rev IL Fin Auth Roosevelt Univ	5.500	04/01/37	945,920
2,200	Illinois Fin Auth Rev Northwestn Mem Hosp, Ser A (a)	5.375	08/15/24	2,322,397
1,400	Illinois Fin Auth Rev Northwestn Mem Hosp, Ser A (a)	5.750	08/15/30	1,511,930
2,500	Illinois Fin Auth Rev Osf Hlthcare Sys, Ser A	5.750	11/15/37	2,503,100
1,150	Illinois Fin Auth Rev Riverside Hlth Sys	6.250	11/15/35	1,193,366
1,800	Illinois Fin Auth Rev Rush Univ Med Ctr Oblig Grp, Ser A	7.250	11/01/38	2,006,442
5,500	Illinois Fin Auth Rev Sherman Hlth Sys, Ser 2007-A	5.500	08/01/37	5,033,160

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Illinois (Continued)			
$ 1,250	Metropolitan Pier & Expo Auth IL Dedicated St Tax Rev McCormick Pl Expn Proj, Ser A (NATL Insd)	5.375%	12/15/18	$ 1,268,312
2,000	Metropolitan Pier & Expo Auth IL Dedicated St Tax Rev McCormick Pl Expn Proj, Ser A (NATL Insd)	5.500	12/15/24	2,029,500
6,000	Metropolitan Pier & Expo Auth IL Dedicated St Tax Rev McCormick Pl Expn, Ser A (NATL Insd)	5.250	06/15/42	6,050,760
5,000	Regional Tran Auth IL, Ser B (AMBAC Insd)	8.000	06/01/17	6,466,600
475	Will-Kankakee Regl Dev Auth IL Multi-Family Hsg Rev Sr Estates Supportive Living (AMT)	7.000	12/01/42	407,474
				79,082,009
	Indiana 2.0%			
1,000	Allen Cnty, IN Juvenile Just Ctr First Mtg (AMBAC Insd)	5.500	01/01/18	1,074,830
1,360	Indiana Fin Auth Hosp Rev Deaconess Hosp Oblig, Ser A	6.750	03/01/39	1,456,043
1,770	Indiana Hlth Fac Fin Auth Hosp Rev Columbus Regl Hosp Rfdg (FSA Insd)	7.000	08/15/15	2,021,712
2,500	Indiana St Dev Fin Auth Rev Exempt Fac Conv Rfdg (AMT)	5.950	08/01/30	2,499,725
1,525	Indiana St Fin Auth Environmental Fac Rev IN Pwr & Lt Co Proj Rfdg, Ser A	4.900	01/01/16	1,579,046
500	Vigo Cnty, IN Hosp Auth Rev Union Hosp Inc (e)	5.750	09/01/42	388,740
				9,020,096
	Iowa 1.1%			
1,890	Des Moines, IA Pub Pkg Sys Rev, Ser A (NATL Insd)	5.750	06/01/17	1,936,664
500	Jefferson Cnty, IA Hosp Rev Jefferson Cnty Hosp Proj, Ser C	5.950	08/01/37	400,730
325		6.000	12/01/37	260,881

	Sibley, IA Hlthcare Fac Rev Osceola Cmnty Hosp Proj			
1,500	Tobacco Settlement Auth IA Rev Asset Bkd, Ser C	5.500	06/01/42	1,094,130
1,350	Tobacco Settlement Auth IA Rev Asset Bkd, Ser C	5.625	06/01/46	992,614
				4,685,019
	Kansas 1.2%			
2,400	Kansas St Dev Fin Auth Hosp Rev Adventist Hlth	5.750	11/15/38	2,475,648
1,600	Manhattan, KS Hlthcare Fac Rev Meadowlark Hills Retirement, Ser A	5.000	05/15/24	1,289,552
1,600	Manhattan, KS Hlthcare Fac Rev Meadowlark Hills Retirement, Ser A	5.000	05/15/36	1,125,392
675	Olathe, KS Sr Living Fac Rev Catholic Care Campus Inc, Ser A	6.000	11/15/38	555,201
				5,445,793
	Kentucky 3.0%			
1,400	Kentucky Econ Dev Fin Auth Louisville Arena Proj Rev Louisville Arena Sub, Ser A-1 (AGL Insd)	5.750	12/01/28	1,502,816
160	Kentucky Hsg Corp Hsg Rev, Ser F (FNMA Collateralized) (AMT)	5.450	01/01/32	160,619

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Kentucky (Continued)			
$ 1,510	Kentucky St Ppty & Bldg Commn Rev Rfdg Proj No 93 (AGL Insd)	5.250%	02/01/24	$ 1,637,414
1,710	Kentucky St Ppty & Bldg Commn Rev Rfdg Proj No 93 (AGL Insd)	5.250	02/01/25	1,846,236
4,000	Louisville & Jefferson Cnty, KY Metro Govt Hlth Sys Rev Norton Hlthcare Inc	5.250	10/01/36	3,854,760
4,500	Louisville & Jefferson Cntys, KY Metro Govt Indl Bldg Rev Sisters of Mercy Cincinnati	5.000	10/01/35	4,059,045
				13,060,890
	Louisiana 2.3%			
989	Lakeshore Vlgs Master Cmnty Dev Dist LA Spl Assmt	5.250	07/01/17	809,180
1,800	Louisiana Hsg Fin Agy Rev Azalea Estates Rfdg, Ser A (GNMA Collateralized) (AMT)	5.375	10/20/39	1,809,810
1,900	Louisiana St Ctzn Ppty Ins Corp Assmt Rev, Ser C-2 (AGL Insd)	6.750	06/01/26	2,195,431
3,000	Louisiana St Energy & Pwr Auth Pwr Proj Rev Rfdg (FSA Insd)	5.750	01/01/12	3,285,270
1,850	Rapides Fin Auth LA Rev Cleco Pwr Proj (AMT) (b)	5.250	11/01/37	1,908,849
				10,008,540
	Maryland 0.9%			
775	Gaithersburg, MD Econ Dev Rev Asbury MD Oblig Group A	5.125	01/01/36	626,029
2,750	Maryland St Hlth & Higher Ed Fac Auth Rev Mercy Med Ctr, Ser A	5.500	07/01/42	2,648,965
750	Prince Georges Cnty, MD Spl Oblig Natl Harbor Proj	5.200	07/01/34	610,268
				3,885,262
	Massachusetts 2.2%			
3,955	Massachusetts Bay Trans Auth Gen Trans Sys Rfdg, Ser A	5.500	03/01/12	4,103,906

400	Massachusetts St Dev Fin Agy Linden Ponds Inc Fac, Ser A	5.750	11/15/35	287,948
475	Massachusetts St Dev Fin Agy Linden Ponds Inc Fac, Ser A	5.750	11/15/42	329,203
3,000	Massachusetts St Dev Fin Agy Semass Sys, Ser A (NATL Insd)	5.625	01/01/16	3,061,140
35	Massachusetts St Hlth & Ed Fac Auth Rev Partn Hlthcare Sys, Ser C	5.750	07/01/32	36,024
965	Massachusetts St Hlth & Ed Fac Auth Rev Partn Hlthcare Sys, Ser C (Prerefunded @ 7/01/11)	5.750	07/01/32	1,056,202
890	Massachusetts St Hlth & Ed Fac Auth Rev Saint Mem Med Ctr, Ser A	6.000	10/01/23	726,614
				9,601,037

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Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Michigan 1.1%			
$ 2,100	Detroit, MI Sew Disp Rev Rfdg Sr Lien, Ser C-1 (FSA Insd)	7.000%	07/01/27	$ 2,566,914
1,000	Detroit, MI Wtr Supply Sys Rfdg Second Lien, Ser C (FSA Insd)	5.000	07/01/26	1,013,510
800	Kent Hosp Fin Auth MI Rev Spectrum Hlth, Ser A (b)	5.250	01/15/47	851,080
400	Kent Hosp Fin Auth MI Rev Spectrum Hlth, Ser A (b)	5.500	01/15/47	428,904
				4,860,408
	Minnesota 0.9%			
10	Chaska, MN Elec Rev, Ser A	6.100	10/01/30	10,117
425	Chisago, MN Hlthcare Fac Rev CDL Homes LLC Proj	6.000	08/01/42	390,919
1,700	Minneapolis, MN Hlthcare Sys Rev Fairview Hlth Svc, Ser A	6.375	11/15/23	1,899,784
1,150	Minneapolis, MN Hlthcare Sys Rev Fairview Hlth Svc, Ser A	6.625	11/15/28	1,297,959
175	North Oaks, MN Sr Hsg Rev Presbyterian Homes North Oaks	6.000	10/01/27	157,934
				3,756,713
	Missouri 3.9%			
1,800	Cape Girardeau Cnty, MO Indl Dev Auth Hlthcare Fac Rev Southeast MO Hosp Assoc (Prerefunded @ 6/01/12)	5.500	06/01/22	1,990,566
350	Cape Girardeau Cnty, MO Indl Southeast MO Hosp Dev Auth Hlthcare Fac Rev	5.500	06/01/22	344,368
770	Maryland Heights, MO Tax Increment Rev South Heights Redev Proj Rfdg, Ser A	5.500	09/01/18	730,168
1,375	Missouri St Hlth & Ed Fac Auth Rev Sr Living Fac Lutheran, Ser A	5.375	02/01/35	1,213,547
615	Saint Louis Cnty, MO Indl Dev Auth Sr Living Fac Rev Saint Andrews Res for Srs, Ser A	6.375	12/01/30	523,851
1,450	Saint Louis Cnty, MO Indl Dev Auth Sr Living Fac Rev Saint Andrews Res for Srs,	6.375	12/01/41	1,198,570

	Ser A			
575	Saint Louis, MO Indl Dev Auth Tax Increment & Cmnty Impt Dist Loughborough Com Redev Rfdg	5.750	11/01/27	489,038
1,060	Sikeston, MO Elec Rev Rfdg (NATL INSD)	6.200	06/01/10	1,072,794
4,840	Springfield, MO Pub Bldg Corp Leasehold Rev Springfield Branson Arpt, Ser B (AMBAC Insd) (AMT)	4.550	07/01/29	4,385,282
5,770	Springfield, MO Pub Bldg Corp Leasehold Rev Springfield Branson Arpt, Ser B (AMBAC Insd) (AMT)	4.600	07/01/36	5,008,418
				16,956,602
	Nevada 2.7%			
6,000	Clark Cnty, NV Indl Dev Rev Southwest Gas Corp Proj, Ser A (AMBAC Insd) (AMT)	5.250	07/01/34	5,438,220

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Nevada (Continued)			
$ 40	Clark Cnty, NV Indl Dev Rev Southwest Gas Corp Proj, Ser A (BHAC Insd) (AMT)	4.750%	09/01/36	$ 34,317
2,395	Nevada Hsg Div Single Family Mtg Rev, Ser A (GNMA Collateralized) (AMT)	5.875	04/01/38	2,498,991
4,250	Reno, NV Hosp Rev Renown Regl Med Ctr Proj, Ser A	5.250	06/01/37	3,811,995
				11,783,523
	New Hampshire 0.8%			
1,155	New Hampshire Hlth & Ed Fac Auth Rev Derryfield Sch (Prerefunded @ 7/01/10)	7.000	07/01/30	1,224,577
480	New Hampshire St Business Fin Auth Pollutn Ctl Rev Rfdg Utd Illum, Ser A (AMT) (b)	6.875	12/01/29	516,495
675	New Hampshire St Business Fin Auth Pollutn Ctl Rev Utd Illum Co Proj (AMT) (b)	7.125	07/01/27	722,358
900	New Hampshire St Business Fin Auth Wtr Fac Rev Pennichuck Wtrwks Inc (AMBAC Insd) (AMT)	6.300	05/01/22	900,855
				3,364,285
	New Jersey 13.3%			
375	Burlington Cnty, NJ Brdg Commn Econ Dev Rev Evergreens Proj	5.625	01/01/38	310,320
895	New Jersey Econ Dev Auth Rev Cig Tax	5.750	06/15/34	851,986
30,000	New Jersey Econ Dev Auth St Contract Econ Recovery (NATL Insd) (c)	5.900	03/15/21	36,442,500
8,000	New Jersey Econ Dev Auth Wtr Fac Rev NJ Amer Wtr Co Inc Proj, Ser A (FGIC Insd) (AMT)	6.875	11/01/34	8,006,880
2,400	New Jersey Hlthcare Fac Fin Auth Rev Holy Name Hosp	5.000	07/01/36	2,123,064
1,350	New Jersey Hlthcare Fac Fin Auth Rev Saint Peters Univ Hosp Oblig	5.750	07/01/37	1,317,033
14,000	Tobacco Settlement Fin Corp NJ, Ser 1-A	5.000	06/01/41	9,447,760

				58,499,543
	New Mexico 0.6%			
1,250	New Mexico St Hosp Equip Ln Council Hosp Rev Presbyterian Hlthcare Svc, Ser A (a)	6.375	08/01/32	1,369,225
1,125	University NM Univ Rev Sub Lien Rfdg, Ser A	5.250	06/01/21	1,213,133
				2,582,358
	New York 10.5%			
2,000	New York City Indl Dev Agy Rev Liberty 7 World Trade Ctr Proj, Ser B	6.750	03/01/15	2,017,320
1,140	New York City Indl Dev Civic YMCA Gtr NY Proj	5.800	08/01/16	1,141,585
5,500	New York City, Ser I-1 (a)	5.000	02/01/26	5,756,960
1,800	New York City Trans Fin Auth Bldg Aid Rev Fiscal 2009, Ser S-3	5.250	01/15/39	1,873,170
2,525	New York St Dorm Auth Lease Rev Muni Hlth Fac Impt Pgm, Ser A (FSA Insd)	5.500	05/15/25	2,527,702

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	**Description**	**Coupon**	**Maturity**	**Value**
	New York (Continued)			
$ 3,100	New York St Dorm Auth Rev City Univ Sys Cons, Ser A	5.625%	07/01/16	$ 3,409,659
2,600	New York St Dorm Auth Rev Cons City Univ Sys Second Gen, Ser A	5.750	07/01/13	2,763,722
2,040	New York St Dorm Auth Rev Secd Hosp Gen Hosp Rfdg	5.750	02/15/18	2,154,097
590	New York St Dorm Auth Rev, Ser B	7.500	05/15/11	645,513
360	New York St Dorm Auth Rev, Ser B (Prerefunded @ 5/15/10)	7.500	05/15/11	373,129
1,500	New York St Dorm Auth Rev Upstate Cmnty Colleges, Ser B	5.250	07/01/20	1,566,390
1,000	New York St Dorm Auth Rev Upstate Cmnty Colleges, Ser B	5.250	07/01/21	1,039,530
1,700	New York St Twy Auth St Pers Income Tax Rev Trans, Ser A (a)	5.000	03/15/26	1,837,275
1,900	New York St Twy Auth St Pers Income Tax Rev Trans, Ser A (a)	5.000	03/15/27	2,042,623
1,000	New York St Twy Auth St Pers Income Tax Rev Trans, Ser A (a)	5.000	03/15/28	1,069,425
15,000	Port Auth NY & NJ Cons 144th (a)	5.000	10/01/35	15,324,900
575	Seneca Nation Indians Cap Impt Auth NY Spl Oblig, Ser A (e)	5.000	12/01/23	475,577
				46,018,577
	North Carolina 6.0%			
1,500	North Carolina Eastn Muni Pwr Agy Pwr Sys Rev, Ser D (Prerefunded @ 1/01/10)	6.700	01/01/19	1,531,170
905	North Carolina Med Care Commn Retirement Fac Rev First Mtg Southminster Proj, Ser A	5.750	10/01/37	790,861
22,000	North Carolina Muni Pwr Agy No 1 Catawba Elec Rev Rfdg (NATL Insd)	6.000	01/01/12	23,907,400
				26,229,431
	Ohio 7.3%			
2,540	Buckeye, OH Tob Settlement Fin Auth Asset Bkd Sr Turbo, Ser A-2	5.750	06/01/34	2,136,013

1,400	Buckeye, OH Tob Settlement Fin Auth Asset Bkd Sr Turbo, Ser A-2	5.875	06/01/30	1,218,518
400	Cuyahoga Cnty, OH Hlthcare & Indpt Living Fac Rev Eliza Jennings Sr Care, Ser A	5.750	05/15/27	333,152
1,500	Cuyahoga Cnty, OH Hosp Fac Rev Canton Inc Proj	7.500	01/01/30	1,526,610
2,450	Lorain Cnty, OH Hosp Rev Catholic Hlthcare Impt & Rfdg, Ser A	5.250	10/01/33	2,417,047
2,000	Lorain Cnty, OH Hosp Rev Catholic Hlthcare, Ser S	5.375	10/01/30	2,003,380
3,000	Lorain Cnty, OH Hosp Rev Fac Catholic Rfdg, Ser C-1 (FSA Insd) (a)	5.000	04/01/24	3,068,925
2,750	Lorain Cnty, OH Hosp Rev Fac Catholic, Ser A (FSA Insd) (a)	5.000	02/01/24	2,813,167

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Ohio (Continued)			
$ 2,775	Lorain Cnty, OH Hosp Rev Fac Catholic, Ser B (FSA Insd) (a)	5.000%	02/01/24	$ 2,838,756
1,625	Montgomery Cnty, OH Rev Catholic Hlth, Ser C-1 (FSA Insd) (a)	5.000	10/01/41	1,622,059
1,475	Montgomery Cnty, OH Rev Miami Vly Hosp, Ser A	6.000	11/15/28	1,551,376
925	Montgomery Cnty, OH Rev Miami Vly Hosp, Ser A	6.250	11/15/39	967,143
1,500	Ohio St Air Quality Dev Auth Rev Pollutn Ctl First Energy Rfdg, Ser C	5.625	06/01/18	1,588,995
1,900	Ohio St Higher Ed Fac Commn Rev Univ Hosp Hlth Sys, Ser 2009A	6.750	01/15/39	2,038,035
1,030	Ohio St Hsg Fin Agy Residential Mtg Rev Mtg Bkd Sec Pgm, Ser D (GNMA Collateralized) (AMT) (a)	5.300	09/01/28	1,049,380
1,350	Ohio St Hsg Fin Agy Residential Mtg Rev Mtg Bkd Sec Pgm, Ser D (GNMA Collateralized) (AMT) (a)	5.400	03/01/33	1,372,545
2,340	Ohio St Hsg Fin Agy Residential Mtg Rev Mtg Bkd Sec Pgm, Ser F (GNMA Collateralized) (a)	5.500	09/01/39	2,418,800
950	Ohio St Wtr Dev Auth Pollutn Ctl Fac Rev Rfdg First Energy, Ser A (b)	5.875	06/01/33	1,000,084
				31,963,985
	Oklahoma 1.6%			
1,375	Chickasaw Nation, OK Hlth Sys (e)	6.250	12/01/32	1,356,726
3,970	McAlester, OK Pub Wk Auth Util Cap Apprec (FSA Insd)	*	02/01/34	1,129,664
1,120	Oklahoma Dev Fin Auth Lease Rev OK Council Law Enforcement (NATL Insd)	5.500	06/01/18	1,206,531
1,185	Oklahoma Dev Fin Auth Lease Rev OK Council Law Enforcement (NATL Insd)	5.500	06/01/19	1,276,553
2,250	Tulsa Cnty, OK Pub Fac Auth Cap Impt Rev (AMBAC Insd) (Prerefunded @ 11/01/09)	6.250	11/01/22	2,295,383
				7,264,857

	Pennsylvania 2.2%			
875	Montgomery Cnty, PA Indl Dev Auth Rev Mtg Whitemarsh Cont Care	6.250	02/01/35	618,056
950	Pennsylvania Econ Dev Fin Auth Exempt Fac Rev Reliant Energy, Ser B (AMT)	6.750	12/01/36	972,107
3,000	Susquehanna Area Regl Arpt Auth PA Arpt Sys Rev, Ser A (AMBAC Insd) (AMT)	5.375	01/01/21	2,949,150
5,415	Susquehanna Area Regl Arpt Auth PA, Ser A (AMBAC Insd) (AMT)	5.375	01/01/22	5,261,593
				9,800,906
	South Carolina 5.1%			
2,500	Charleston Ed Excellence Fin Corp SC Rev Charleston Cnty Sch Dist (a)	5.250	12/01/25	2,607,012
7,500	Charleston Ed Excellence Fin Corp SC Rev Charleston Cnty Sch Dist (a)	5.250	12/01/26	7,812,487

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	South Carolina (Continued)			
$ 1,840	South Carolina Jobs Econ Dev Auth Hosp Fac Rev Palmetto Hlth Alliance Rfdg, Ser A	6.250%	08/01/31	$ 1,869,845
5,000	South Carolina Jobs Econ Dev Auth Indl Rev Elec & Gas Co Proj, Ser A (AMBAC Insd)	5.200	11/01/27	5,134,000
3,750	South Carolina Jobs Econ Dev Auth Indl Rev Elec & Gas Co Proj, Ser B (AMBAC Insd) (AMT)	5.450	11/01/32	3,644,700
725	South Carolina Jobs Econ Dev Auth Rev Woodlands at Furman Proj, Ser A	6.000	11/15/27	561,984
835	Tobacco Settlement Rev Mgmt Auth SC Tob Settlement Rev Rfdg	5.000	06/01/18	835,275
				22,465,303
	South Dakota 0.3%			
1,375	Deadwood, SD Ctf Partn (ACA Insd)	6.375	11/01/20	1,375,220
	Tennessee 1.7%			
1,750	Chattanooga, TN Hlth Ed & Hsg Fac Brd Rev CDFI Phase I LLC Proj Rfdg, Ser A	5.125	10/01/35	1,391,442
2,000	Elizabethton, TN Hlth & Ed Fac Brd Rev Impt Hosp First Mtg Rfdg, Ser B (Prerefunded @ 7/01/12)	8.000	07/01/33	2,292,880
1,000	Johnson City, TN Hlth & Ed Fac Brd Hosp Rev First Mtg Mtn St Hlth Rfdg, Ser A (MBIA Insd) (Prerefunded @ 7/01/12)	7.500	07/01/25	1,134,320
2,400	Shelby Cnty, TN Hlth Ed & Hsg Fac Brd Rev Methodist, Ser B (FSA Insd) (a)	5.250	09/01/27	2,478,324
				7,296,966
	Texas 24.2%			
1,450	Alliance Arpt Auth Inc TX Spl Fac Rev FedEx Corp Proj Rfdg (AMT)	4.850	04/01/21	1,385,475
680	Dallas Cnty, TX Flood Ctl Dist Rfdg	6.750	04/01/16	722,867
1,150	Dallas, TX Civic Ctr Rfdg & Impt (AGL Insd)	5.000	08/15/18	1,239,332
1,350		5.000	08/15/19	1,450,481

	Dallas, TX Civic Ctr Rfdg & Impt (AGL Insd)			
5,500	Dallas-Fort Worth, TX Intl Arpt Rev Jt Impt & Rfdg, Ser A (BHAC Insd) (AMT)	5.500	11/01/31	5,530,965
8,000	Dallas-Fort Worth, TX Intl Arpt Rev Jt, Ser A (FSA Insd) (AMT)	5.500	11/01/21	8,178,400
4,000	Dallas-Fort Worth, TX Intl Arpt Rev Jt, Ser A (NATL Insd) (AMT)	5.750	11/01/30	4,001,400
650	Dallas-Fort Worth, TX Intl Arpt Rev Jt, Ser C (NATL Insd) (AMT)	5.750	11/01/18	650,695
1,225	Dallas-Fort Worth, TX Intl Arpt Rev Jt, Ser C (NATL Insd) (AMT)	6.000	11/01/23	1,226,053
4,850	El Paso Cnty, TX Hosp Dist, Ser A (AGL Insd) (a)	5.000	08/15/37	4,929,031
1,000	Gulf Coast Waste Disp Auth TX Waste Mgmt, Ser D (AMT)	4.550	04/01/12	1,000,190
2,000	Harris Cnty, TX Hlth Fac Dev Corp Hosp Rev Mem Hermann Hlthcare, Ser A (Prerefunded @ 6/01/11)	6.375	06/01/29	2,195,380

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Texas (Continued)			
$ 750	Harris Cnty, TX Hlth Fac Dev Corp Hosp Rev Rfdg Mem Hermann Hlthcare Sys, Ser B	7.250%	12/01/35	$ 841,118
1,930	Harris Cnty, TX Sr Lien Toll Rd, Ser A (a)	5.000	08/15/32	2,000,976
2,000	Houston, TX Arpt Sys Rev Sub Lien (FSA Insd)	5.500	07/01/20	2,165,800
10,000	Houston, TX Arpt Sys Rev Sub Lien, Ser A (FSA Insd) (AMT)	5.125	07/01/32	9,693,000
3,000	Houston, TX Arpt Sys Rev Sub Lien, Ser A (FSA Insd) (AMT)	5.625	07/01/30	3,006,480
7,825	Houston, TX Util Sys Rev Comb First Lien Rfdg, Ser A (FSA Insd) (a)	5.000	11/15/36	7,985,765
3,030	Judson, TX Indpt Sch Dist Sch Bldg (AGL Insd) (a)	5.000	02/01/37	3,081,374
1,250	Lufkin, TX Hlth Fac Dev Corp Hlth Sys Rev Mem Hlth Sys East TX	5.500	02/15/37	1,096,875
1,000	Matagorda Cnty, TX Nav Dist No 1 Rev Coll Centerpoint Energy Proj Rfdg (b)	5.600	03/01/27	1,003,660
1,125	McLennan Cnty, TX Pub Fac Corp Proj Rev	6.625	06/01/35	1,227,240
3,000	Metropolitan Hlth Fac Dev Corp TX Wilson N Jones Mem Hosp Proj	7.250	01/01/31	2,838,750
10,000	North Centre, TX Hlth Fac Dev Hosp Childrens Med Ctr Dallas (AMBAC Insd)	5.250	08/15/32	10,046,900
1,000	North TX Twy Auth Rev Rfdg Sys First Tier, Ser B	5.625	01/01/28	1,025,910
1,000	North TX Twy Auth Rev Rfdg Sys First Tier, Ser B	6.000	01/01/26	1,058,750
1,000	North TX Twy Auth Rev Rfdg Sys First Tier, Ser B	6.000	01/01/27	1,053,970
1,350	North TX Twy Auth Rev Sys First Tier Rfdg, Ser L-2 (b)	6.000	01/01/38	1,462,577
2,650	North TX Twy Auth Rev Toll Second Tier Rfdg, Ser F	5.750	01/01/33	2,703,371
1,000	Tarrant Cnty, TX Cultural Ed Fac Fin Corp Retirement Fac Buckingham Sr Living Cmnty Inc	5.625	11/15/27	898,020
2,600	Tarrant Cnty, TX Cultural Ed Fac Fin Corp Retirement Fac Buckingham Sr Living	5.750	11/15/37	2,253,914

	Cmnty Inc			
4,000	Tarrant Cnty, TX Cultural Ed Fac Fin Corp Retirement Fac Buckner Retirement Svc Inc Proj	5.250	11/15/37	3,585,240
400	Tarrant Cnty, TX Cultural Ed Fac Fin Corp Retirement Fac CC Young Mem Home Proj	5.750	02/15/25	337,372
3,000	Tarrant Cnty, TX Cultural Ed Fac Fin Corp Rev Christus Hlth Rfdg, Ser A (AGL Insd)	6.250	07/01/28	3,284,430
3,000	Texas A & M Univ Revs Fing Sys-ser A, Ser A	5.000	05/15/29	3,185,820
5,400	Texas St Trans Commn Mobility Fd (a)	5.000	04/01/28	5,780,619
2,750	Tyler, TX Hlth Fac Dev Corp Hosp Rev & Impt East TX Med Ctr Rfdg, Ser A	5.375	11/01/37	2,532,200
				106,660,400

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Utah 0.6%			
$ 2,380	Mountain Regl Wtr Spl Svc Dist Rfdg (NATL Insd)	5.000%	12/15/33	$ 2,195,074
730	Utah St Charter Sch Fin Auth Charter Sch Rev Summit Academy, Ser A	5.800	06/15/38	628,639
				2,823,713
	Virginia 0.5%			
750	Peninsula Town Ctr Cmnty Dev Auth VA Spl Oblig	6.350	09/01/28	650,760
1,500	White Oak Vlg Shops VA Cmnty Dev Auth Spl Assmt Rev	5.300	03/01/17	1,454,700
				2,105,460
	Washington 8.7%			
9,850	Bellevue, WA Convention Ctr Auth Spl Oblig Rev Comp Int Rfdg (NATL Insd)	*	02/01/25	4,707,216
7,500	Chelan Cnty, WA Pub Util Dist No 001 Cons Rev Chelan Hydro, Ser A (BHAC Insd) (AMT) (a) (b)	5.600	01/01/36	7,560,300
5,000	Energy Northwest WA Elec Rev Columbia Generating Rfdg, Ser A (FSA Insd)	5.500	07/01/16	5,398,450
5,000	Energy Northwest WA Elec Rev Proj No 3 Rfdg, Ser B (FSA Insd)	6.000	07/01/16	5,542,000
1,250	Kalispel Tribe Indians Priority Dist WA Rev	6.625	01/01/28	1,072,812
2,000	Port Seattle, WA Rev, Ser B (NATL Insd) (AMT)	5.625	02/01/24	2,006,160
2,120	Seattle, WA Muni Lt & Pwr Rev	5.625	12/01/17	2,229,286
3,000	Spokane, WA Pub Fac Dist Hotel Motel & Sales Use Tax (NATL Insd)	5.250	09/01/33	3,025,080
1,440	Washington St Hsg Fin Commn Nonprofit Rev Custodial Rcpt Wesley Homes, Ser 2007A-2027 (Acquired 5/7/08, Cost $1,440,000) (f)	6.000	01/01/27	1,277,554
1,000	Washington St Hsg Fin Commn Nonprofit Rev Skyline at First Hill Proj, Ser A	5.625	01/01/27	809,100
5,125	Washington St Pub Pwr Supply Sys Nuclear Proj No 3 Rev Rfdg, Ser C (NATL Insd)	*	07/01/14	4,557,304

				38,185,262
	West Virginia 0.7%			
500	Ohio Cnty, WV Cnty Commn Tax Increment Rev Fort Henry Centre Fin Dist, Ser A	5.850	06/01/34	455,225
855	Pleasants Cnty, WV Pollutn Ctl Cnty Comm Allegheny Rfdg, Ser F	5.250	10/15/37	790,294
1,000	West Virginia St Hosp Fin Auth Hosp Rev Thomas Hlth Sys	6.000	10/01/20	976,350
1,025	West Virginia St Hosp Fin Auth Hosp Rev Thomas Hlth Sys	6.250	10/01/23	982,339
				3,204,208
	Wisconsin 2.6%			
1,500	Southeast WI Professional Baseball Pk Dist Sales Tax Rev Rfdg, Ser A (NATL Insd)	5.500	12/15/20	1,801,875
425	Superior, WI Util Rev Superior Wtr Lt & Pwr Proj Rfdg, Ser A (AMT)	5.375	11/01/21	426,781

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Par Amount (000)	Description	Coupon	Maturity	Value
	Wisconsin (Continued)			
$ 385	Superior, WI Util Rev Superior Wtr Lt & Pwr Proj, Ser B (AMT)	5.750%	11/01/37	$ 379,725
2,400	Wisconsin Hsg & Econ Dev Auth Home Ownership Rev, Ser A (AMT) (a)	5.300	09/01/23	2,480,616
3,000	Wisconsin Hsg & Econ Dev Auth Home Ownership Rev, Ser A (AMT) (a)	5.500	09/01/28	3,078,450
950	Wisconsin St Gen Rev Appropriation Rev, Ser A	5.375	05/01/25	1,035,709
1,000	Wisconsin St Hlth & Ed Fac Auth Rev Aurora Hlthcare Inc, Ser B (b)	4.750	08/15/25	994,090
1,270	Wisconsin St Hlth & Ed Fac Auth Rev Prohlth Care Inc Oblig Grp	6.625	02/15/39	1,366,977
				11,564,223
	Wyoming 0.5%			
1,100	Sweetwater Cnty, WY Pollutn Ctl Rev Rfdg ID Pwr Co Proj	5.250	07/15/26	1,144,770
1,000	University WY Univ Rev Fac Impt (FSA Insd)	5.500	06/01/18	1,048,230
				2,193,000
	Puerto Rico 0.6%			
2,675	Puerto Rico Sales Tax Fin Corp Sales Tax Rev First Sub, Ser A (b)	5.000	08/01/39	2,780,128
Total Long-Term Investments 179.1%				
(Cost $789,005,128)				786,738,148
Total Short-Term Investments 1.5%				
(Cost $6,700,000)				6,700,000
Total Investments 180.6%				
(Cost $795,705,128)				793,438,148

Liability for Floating Rate Note Obligations Related to Securities Held (24.9%)		
(Cost ($109,440,000))		
(109,440)	Notes with interest rates ranging from 0.19% to 0.91% at October 31, 2009 and contractual maturities of collateral ranging from 2023 to 2041 (See Note 1 (G) in the Notes to Financial Statements) (h)	(109,440,000)
Total Net Investments 155.7%		
(Cost $686,265,128)		683,998,148
Other Assets In Excess of Liabilities 2.4%		10,393,159
Preferred Shares (including accrued distributions) (58.1%)		(255,021,274)
Net Assets Applicable to Common Shares 100.0%		$ **439,370,033**

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Percentages are calculated as a percentage of net assets applicable to common shares.

* Zero coupon bond

(a) Underlying security related to Inverse Floaters entered into by the Trust. See Note 1 (G) in the Notes to Financial Statements for further information.

(b) Variable Rate Coupon

(c) Security has been deemed illiquid.

(d) Escrowed to Maturity

(e) 144A-Private Placement security which is exempt from registration under Rule 144A of the Securities Act of 1933, as amended. This security may only be resold in transactions exempt from registration which are normally those transactions with qualified institutional buyers.

(f) Security is restricted and may be resold only in transactions exempt from registration which are normally those transactions with qualified institutional buyers. Restricted securities comprise 0.5% of net assets.

(g) Interest is accruing at less than the stated coupon. Coupon is shown as stated coupon/actual coupon.

(h) Floating rate notes. The interest rates shown reflect the rates in effect at October 31, 2009.

ACA American Capital Access
AGC AGC Insured Custody Certificates
AGL Assured Guaranty Ltd.
AMBAC AMBAC Indemnity Corp.
AMT Alternative Minimum Tax
BHAC Berkshire Hathaway Assurance Corp.
FGIC Financial Guaranty Insurance Co.
FHA Federal Housing Administration
FNMA Federal National Mortgage Association
FSA Financial Security Assurance Inc.
GNMA Government National Mortgage Association
MBIA Municipal Bond Investors Assurance Corp.
NATL National Public Finance Guarantee Corp.
Syncora Syncora Guaratee

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Portfolio of Investments n **October 31, 2009** *continued*

Fair Value Measurements

Various inputs are used in determining the value of the Trust s investments. These inputs are summarized in the three broad levels listed below. (See Note 1(B) in the Notes to Financial Statements for further information regarding fair value measurements.)

The following is a summary of the inputs used as of October 31, 2009 in valuing the Trust s investments carried at value.

Investments	**Level 1 Quoted Prices**	**Level 2 Other Significant Observable Inputs**	**Level 3 Significant Unobservable Inputs**	**Total**
Investments in an Asset Position				
Municipal Bonds				
Issued by States of the United States and Political Subdivisions of the United States	$ -0-	$ 793,438,148	$ -0-	$ 793,438,148

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Financial Statements

Statement of Assets and Liabilities
October 31, 2009

Assets:	
Total Investments (Cost $795,705,128)	$ 793,438,148
Cash	118,665
Receivables:	
Interest	13,197,982
Investments Sold	235,531
Other	13,586
Total Assets	807,003,912
Liabilities:	
Payables:	
Floating Rate Note Obligations	109,440,000
Investments Purchased	1,877,436
Investment Advisory Fee	302,983
Other Affiliates	78,647
Fund Shares Repurchased	4,000
Trustees Deferred Compensation and Retirement Plans	740,534
Accrued Expenses	169,005
Total Liabilities	112,612,605
Preferred Shares (including accrued distributions)	255,021,274
Net Assets Applicable to Common Shares	$ 439,370,033
Net Asset Value Per Common Share ($439,370,033 divided by 33,684,098 shares outstanding)	$ 13.04
Net Assets Consist of:	
Common Shares ($0.01 par value with an unlimited number of shares authorized, 33,684,098 shares issued and outstanding)	$ 336,841
Paid in Surplus	501,364,535
Accumulated Undistributed Net Investment Income	13,362,731
Net Unrealized Depreciation	(2,266,980)
Accumulated Net Realized Loss	(73,427,094)
Net Assets Applicable to Common Shares	$ 439,370,033
Preferred Shares ($0.01 par value, authorized 100,000,000 shares, 10,200 issued with liquidation preference of $25,000 per share)	$ 255,000,000
Net Assets Including Preferred Shares	$ 694,370,033

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Financial Statements *continued*

Statement of Operations
For the Year Ended October 31, 2009

Investment Income:	
Interest	$ 44,543,422
Expenses:	
Investment Advisory Fee	4,006,685
Interest and Residual Trust Expense	1,471,271
Preferred Share Maintenance	536,717
Professional Fees	244,756
Accounting and Administrative Expenses	171,886
Transfer Agent Fees	88,643
Reports to Shareholders	60,967
Trustees Fees and Related Expenses	54,233
Custody	39,365
Registration Fees	25,148
Other	26,749
Total Expenses	6,726,420
Investment Advisory Fee Reduction	728,489
Net Expenses	5,997,931
Net Investment Income	$ 38,545,491
Realized and Unrealized Gain/Loss:	
Net Realized Loss	$ (28,879,319)
Unrealized Appreciation/Depreciation:	
Beginning of the Period	(108,739,562)
End of the Period:	(2,266,980)
Net Unrealized Appreciation During the Period	106,472,582
Net Realized and Unrealized Gain	$ 77,593,263
Distributions to Preferred Shareholders	$ (1,540,687)
Net Increase in Net Assets Applicable to Common Shares from Operations	$ 114,598,067

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Financial Statements *continued*

Statements of Changes in Net Assets

	For The Year Ended October 31, 2009	**For The Year Ended October 31, 2008**
From Investment Activities:		
Operations:		
Net Investment Income	$ 38,545,491	$ 42,479,924
Net Realized Loss	(28,879,319)	(42,014,197)
Net Unrealized Appreciation/Depreciation During the Period	106,472,582	(129,130,750)
Distributions to Preferred Shareholders:		
Net Investment Income	(1,540,687)	(10,226,453)
Change in Net Assets Applicable to Common Shares from Operations	114,598,067	(138,891,476)
Distributions to Common Shareholders:		
Net Investment Income	(29,673,283)	(27,832,202)
Net Change in Net Assets Applicable to Common Shares from Investment Activities	84,924,784	(166,723,678)
From Capital Transactions:		
Value of Common Shares Issued Through Dividend Reinvestment	771,627	191,349
Repurchase of Shares	-0-	(4,656,371)
Net Change in Net Assets Applicable to Common Shares from Capital Transactions	771,627	(4,465,022)
Total Increase/Decrease in Net Assets Applicable to Common Shares	85,696,411	(171,188,700)
Net Assets Applicable to Common Shares:		
Beginning of the Period	353,673,622	524,862,322
End of the Period (Including accumulated undistributed net investment income of $13,362,731 and $6,154,966, respectively)	$ 439,370,033	$ 353,673,622

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Financial Statements *continued*

Statement of Cash Flows
For the Year Ended October 31, 2009

Change in Net Assets from Operations (including Preferred Share Distributions)	$ 114,598,067
Adjustments to Reconcile the Change in Net Assets from Operations to Net Cash Provided by Operating Activities:	
Purchases of Investments	(102,884,304)
Proceeds from Sales of Investments	139,043,409
Net Purchases of Short-Term Investments	(3,200,000)
Amortization of Premium	923,776
Accretion of Discount	(1,038,752)
Net Realized Loss on Investments	28,879,319
Net Change in Unrealized Appreciation on Investments	(106,472,582)
Decrease in Interest Receivable	294,815
Increase in Other Assets	(4,247)
Increase in Investment Advisory Fee Payable	34,661
Decrease in Accrued Expenses	(56,482)
Increase in Other Affiliates Payables	46,367
Increase in Trustees Deferred Compensation and Retirement Plans	38,505
Total Adjustments	(44,395,515)
Net Cash Provided by Operating Activities	70,202,552
Cash Flows from Financing Activities	
Dividends Paid (Net of reinvested dividends $771,627)	(29,325,028)
Proceeds from and Repayments of Floating Rate Note Obligations	(24,820,000)
Retirement of Preferred Shares	(17,000,000)
Net Cash Used for Financing Activities	(71,145,028)
Net Decrease in Cash	(942,476)
Cash at the Beginning of the Period	1,061,141
Cash at the End of the Period	$ 118,665
Supplemental Disclosures of Cash Flow Information	
Cash Paid During the Period for Interest	$ 1,471,271

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Financial Highlights

The following schedule presents financial highlights for one common share of the Trust outstanding throughout the periods indicated.

	Year Ended October 31,				
	2009	**2008**	**2007**	**2006**	**2005**
Net Asset Value, Beginning of the Period	$ 10.52	$ 15.46	$ 16.61	$ 16.52	$ 16.89
Net Investment Income	1.15(a)	1.26(a)	1.17(a)	1.11(a)	1.12
Net Realized and Unrealized Gain/Loss	2.30	(5.07)	(1.17)	0.49	(0.33)
Common Share Equivalent of Distributions Paid to Preferred Shareholders:					
Net Investment Income	(0.05)	(0.30)	(0.37)	(0.31)	(0.22)
Net Realized Gain	-0-	-0-	-0-	(0.04)	-0-
Total from Investment Operations	3.40	(4.11)	(0.37)	1.25	0.57
Distributions Paid to Common Shareholders:					
Net Investment Income	(0.88)	(0.83)	(0.78)	(0.81)	(0.94)
Net Realized Gain	-0-	-0-	-0-	(0.35)	-0-
Net Asset Value, End of the Period	$ 13.04	$ 10.52	$ 15.46	$ 16.61	$ 16.52
Common Share Market Price at End of the Period	$ 13.23	$ 10.10	$ 14.30	$ 14.70	$ 14.35
Total Return* (b)	41.33%	24.86%	2.40%	10.76%	0.55%
Net Assets Applicable to Common Shares at End of the Period (In millions)	$ 439.4	$ 353.7	$ 524.9	$ 567.5	$ 253.7
Ratio of Expenses to Average Net Assets Applicable to Common Shares* (c)	1.54%	2.11%	2.03%	1.36%	1.18%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares* (c)	9.92%	8.92%	7.30%	6.86%	6.67%
Portfolio Turnover	14%	57%	23%	20%	32%

* If certain expenses had not been voluntarily assumed by Van Kampen, total return would have been lower and the ratios would have been as follows:

Ratio of Expenses to Average Net Assets Applicable to Common Shares (c)	1.73%	2.28%	2.18%	N/A	N/A
	9.73%	8.75%	7.15%	N/A	N/A

Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (c)					
Supplemental Ratios:					
Ratio of Expenses (Excluding Interest and Residual Trust Expenses) to Average Net Assets Applicable to Common Shares (c)	1.17%	1.03%	1.03%	1.25%	1.18%
Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares (d)	9.53%	6.78%	4.99%	4.92%	5.37%
Senior Securities:					
Total Preferred Shares Outstanding	10,200	10,880	13,600	13,600	6,000
Asset Coverage Per Preferred Share (e)	$ 68,078	$ 57,538	$ 63,629	$ 66,761	$ 67,307
Involuntary Liquidating Preference Per Preferred Share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000
Average Market Value Per Preferred Share	$ 25,000	$ 25,000	$ 25,000	$ 25,000	$ 25,000

(a) Based on average shares outstanding.

(b) Total return assumes an investment at the common share market price at the beginning of the period indicated, reinvestment of all distributions for the period in accordance with the Trust s dividend reinvestment plan, and sale of all shares at the closing common share market price at the end of the period indicated.

(c) Ratios do not reflect the effect of dividend payments to preferred shareholders.

(d) Ratios reflect the effect of dividend payments to preferred shareholders.

(e) Calculated by subtracting the Trust s total liabilities (not including the preferred shares) from the Trust s total assets and dividing this by the number of preferred shares outstanding.

N/A= Not Applicable

See Notes to Financial Statements

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009**

1. Significant Accounting Policies
Van Kampen Municipal Opportunity Trust (the Trust) is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the 1940 Act). The Trust s investment objective is to provide a high level of current income exempt from federal income tax, consistent with preservation of capital. The Trust commenced investment operations on April 24, 1992.
The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of its financial statements. The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
In June 2009, the Financial Accounting Standards Board (FASB) established the FASB Accounting Standards Codification™ (ASC) as the single source of authoritative accounting principles recognized by the FASB in the preparation of financial statements in conformity with GAAP. The ASC supersedes existing non-grandfathered, non-SEC accounting and reporting standards. The ASC did not change GAAP but rather organized it into a hierarchy where all guidance within the ASC carries an equal level of authority. The ASC became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Trust appropriately updated relevant GAAP references to reflect the new ASC.

A. Security Valuation Municipal bonds are valued by independent pricing services or dealers using the mean of the last reported bid and asked prices or, in the absence of market quotations, at fair value based upon yield data relating to municipal bonds with similar characteristics and general market conditions. Securities which are not valued by independent pricing services or dealers are valued at fair value using procedures established in good faith by the Board of Trustees. Factors considered in making this determination may include, but are not limited to, information obtained by contacting the issuer, analysts, or the appropriate stock exchange (for exchange-traded securities), analysis of the issuer s financial statements or other available documents and, if necessary, available information concerning other securities in similar circumstances. Futures contracts are valued at the settlement price established each day on the exchange on which they are traded. Short-term securities with remaining maturities of 60 days or less are valued at amortized cost, which approximates fair value.

B. Fair Value Measurements The Trust adopted FASB ASC 820, *Fair Value Measurements and Disclosures* (ASC 820) (formerly known as FAS 157) effective November 1, 2008. In accordance with ASC 820, fair value is defined as the price that the Trust would receive to sell an investment or pay to transfer a liability in an orderly transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. ASC 820 establishes a three-tier hierarchy to distinguish between (1) inputs that reflect the assumptions market participants would use in pricing an asset or liability developed based on market data obtained from sources independent of the reporting entity (observable inputs) and (2) inputs that reflect the reporting entity s own assumptions about the assumptions market participants would use in pricing an asset or liability developed based on the best information available in the circumstances (unobservable inputs) and to

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

establish classification of fair value measurements for disclosure purposes. Various inputs are used in determining the value of the Trust s investments. The inputs are summarized in the three broad levels listed below.

Level 1	quoted prices in active markets for identical investments
Level 2	other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
Level 3	significant unobservable inputs (including the Trust s own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

C. Security Transactions Security transactions are recorded on a trade date basis. Realized gains and losses are determined on an identified cost basis. The Trust may purchase and sell securities on a when-issued or delayed delivery basis, with settlement to occur at a later date. The value of the security so purchased is subject to market fluctuations during this period. The Trust will segregate assets with the custodian having an aggregate value at least equal to the amount of the when-issued or delayed delivery purchase commitments until payment is made. At October 31, 2009, the Trust had no when-issued or delayed delivery purchase commitments.

D. Investment Income Interest income is recorded on an accrual basis. Bond premium is amortized and discount is accreted over the expected life of each applicable security.

E. Federal Income Taxes It is the Trust s policy to comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no provision for federal income taxes is required. Management has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. If applicable, the Trust recognizes interest accrued related to unrecognized tax benefits in Interest Expense and penalties in Other expenses on the Statement of Operations. The Trust files tax returns with the U.S. Internal Revenue Service and various states. Generally, each of the tax years in the four year period ended October 31, 2009, remains subject to examination by taxing authorities.
The Trust intends to utilize provisions of the federal income tax laws which allow it to carry a realized capital loss forward for eight years following the year of the loss and offset these losses against any future realized capital gains. At October 31, 2009, the Trust had an accumulated capital loss carryforward for tax purposes of $73,954,469 which will expire according to the following schedule:

Amount	**Expiration**
$ 577,984	October 31, 2013
1,179,918	October 31, 2014
3,206,957	October 31, 2015
41,319,327	October 31, 2016
27,670,283	October 31, 2017

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

Part of the capital loss carryforward above was acquired due to a merger with another regulated investment company and is subject to annual limitations.
At October 31, 2009, the cost and related gross unrealized appreciation and depreciation are as follows:

Cost of investments for tax purposes	$ 684,770,618
Gross tax unrealized appreciation	$ 45,364,113
Gross tax unrealized depreciation	(46,139,198)
Net tax unrealized appreciation on investments	$ (775,085)

F. Distribution of Income and Gains The Trust declares and pays monthly dividends from net investment income to common shareholders. Net realized gains, if any, are distributed annually on a pro rata basis to common and preferred shareholders. Distributions from net realized gains for book purposes may include short-term capital gains and a portion of futures, which are included as ordinary income for tax purposes.
The tax character of distributions paid during the years ended October 31, 2009 and 2008 were as follows:

	2009	**2008**
Distributions paid from:		
Ordinary income	$ 370,030	$ 3,620
Tax-exempt income	31,267,312	38,188,041
	$ 31,637,342	$ 38,191,661

Permanent differences, primarily due to book to tax accretion differences, resulted in the following reclassifications among the Fund s components of net assets at October 31, 2009:

Accumulated Undistributed Net Investment Income	**Accumulated Net Realized Loss**	**Paid in Surplus**
$ (123,756)	$ 123,756	$ -0-

As of October 31, 2009, the components of distributable earnings on a tax basis were as follows:

Undistributed ordinary income	$ 26,698
Undistributed tax-exempt income	13,157,921

Net realized gains or losses may differ for financial reporting and tax purposes primarily as a result of gains or losses recognized on securities for tax purposes but not for book purposes and the deferral of losses relating to wash sale transactions.

G. Floating Rate Note Obligations Related to Securities Held The Trust enters into transactions in which it transfers to dealer trusts fixed rate bonds in exchange for cash and residual interest in the dealer trusts assets and cash flows, which are in the form of inverse floating rate investments. The dealer trusts fund the purchases of the fixed rate bonds by issuing floating rate notes to third parties and allowing the Trust to retain residual interests in the

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

bonds. The Trust enters into shortfall agreements with the dealer trusts, which commit the Trust to pay the dealer trusts, in certain circumstances, the difference between the liquidation value of the fixed rate bonds held by the dealer trusts and the liquidation value of the floating rate notes held by third parties, as well as any shortfalls in interest cash flows. The residual interests held by the Trust (inverse floating rate investments) include the right of the Trust (1) to cause the holders of the floating rate notes to tender their notes at par at the next interest rate reset date, and (2) to transfer the municipal bond from the dealer trusts to the Trust, thereby collapsing the dealer trusts. The Trust accounts for the transfer of bonds to the dealer trusts as secured borrowings, with the securities transferred remaining in the Trust s investments assets, and the related floating rate notes reflected as Trust liabilities under the caption Floating Rate Note Obligations on the Statement of Assets and Liabilities. The Trust records the interest income from the fixed rate bonds under the caption Interest and records the expenses related to floating rate note obligations and any administrative expenses of the dealer trusts under the caption Interest and Residual Trust Expenses on the Trust s Statement of Operations. The notes issued by the dealer trust have interest rates that reset weekly and the floating rate note holders have the option to tender their notes to the dealer trusts for redemption at par at each reset date. At October 31, 2009, Trust investments with a value of $190,979,817 are held by the dealer trusts and serve as collateral for the $109,440,000 in floating rate notes outstanding at that date. Contractual maturities of the floating rate notes and interest rates in effect at October 31, 2009 are presented on the Portfolio of Investments. The average floating rate notes outstanding and average annual interest and fee rate related to residual interests during the year ended October 31, 2009 were $109,104,316 and 1.35%, respectively.

H. Reporting Subsequent Events Management has evaluated the impact of any subsequent events through December 21, 2009, the date the financial statements were effectively issued. Management has determined that there are no material events or transactions that would affect the Trust s financial statements or require disclosure in the Trust s financial statements through this date.

2. Investment Advisory Agreement and Other Transactions with Affiliates

Under the terms of the Trust s Investment Advisory Agreement, Van Kampen Asset Management (the Adviser) will provide investment advice and facilities to the Trust for an annual fee payable monthly of 0.55% of the average daily net assets including current preferred shares and leverage of $85,000,000 entered into to retire previously issued preferred shares of the Trust. The Adviser has agreed to waive investment advisory fees equal to 0.10% of the average daily net assets including current preferred shares and leverage of $85,000,000 entered into to retire previously issued preferred shares of the Trust. For the year ended October 31, 2009, the Adviser waived approximately $728,500 of its advisory fees. This waiver is voluntary and can be discounted at any time.

For the year ended October 31, 2009, the Trust recognized expenses of approximately $146,700 representing legal services provided by Skadden, Arps, Slate, Meagher & Flom LLP, of which a trustee of the Trust is a partner of such firm and he and his law firm provide legal services as legal counsel to the Trust.

Under separate Legal Services, Accounting Services and Chief Compliance Officer (CCO) Employment agreements, the Adviser provides accounting and legal services and the CCO provides compliance services to the Trust. The costs of these services are allocated to each

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

trust. For the year ended October 31, 2009, the Trust recognized expenses of approximately $112,100 representing Van Kampen Investments Inc. s or its affiliates (collectively Van Kampen) cost of providing accounting and legal services to the Trust, as well as the salary, benefits and related costs of the CCO and related support staff paid by Van Kampen. Services provided pursuant to the Legal Services agreement are reported as part of Professional Fees on the Statement of Operations. Services provided pursuant to the Accounting Services and CCO Employment agreement are reported as part of Accounting and Administrative Expenses on the Statement of Operations.
Certain officers and trustees of the Trust are also officers and directors of Van Kampen. The Trust does not compensate its officers or trustees who are also officers of Van Kampen.
The Trust provides deferred compensation and retirement plans for its trustees who are not officers of Van Kampen. Under the deferred compensation plan, trustees may elect to defer all or a portion of their compensation to a later date. Benefits under the retirement plan are payable upon retirement for a ten-year period and are based upon each trustee s years of service to the Trust. The maximum annual benefit per trustee under the plan is $2,500.

3. Capital Transactions
For the years ended October 31, 2009 and 2008, transactions in common shares were as follows:

	Year Ended October 31, 2009	**Year Ended October 31, 2008**
Beginning Shares	33,620,065	33,957,237
Shares Issued Through Dividend Reinvestment	64,033	14,293
Shares Repurchased*	-0-	(351,465)
Ending Shares	33,684,098	33,620,065

* The Trust has a share repurchase program for purposes of enhancing stockholder value and reducing the discount at which the Trust s shares trade from its net asset value. For the year ended October 31, 2009, the Trust did not repurchase any of its shares. For the year ended October 31, 2008, the Trust repurchased 351,465 of its shares, at an average discount of 7.10% from net asset value per share. The Trust expects to continue to repurchase its outstanding shares at such time and in such amounts as it believes such activity will further the accomplishment of the foregoing objectives, subject to review of the Trustees.

4. Investment Transactions
During the period, the cost of purchases and proceeds from sales of investments, excluding short-term investments, were $101,064,001 and $138,560,297, respectively.

5. Inverse Floating Rate Securities
The Trust may invest a portion of its assets in inverse floating rate municipal securities, which are variable debt instruments that pay interest at rates that move in the opposite direction of prevailing interest rates. These investments are typically used by the Trust in seeking to enhance the yield of the portfolio or used as an alternative form of leverage in order to redeem a portion of the Trusts preferred shares. Inverse floating rate investments tend to underperform the market for fixed rate bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Inverse floating rate investments have varying degrees of liquidity. Inverse floating rate

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

securities in which the Trust may invest include derivative instruments such as residual interest bonds (RIBs) or tender option bonds (TOBs). Such instruments are typically created by a special purpose trust that holds long-term fixed rate bonds (which may be tendered by the Trust in certain instances) and sells two classes of beneficial interests: short-term floating rate interests, which are sold to third party investors, and inverse floating residual interests, which are purchased by the Trust. The short-term floating rate interests have first priority on the cash flow from the bonds held by the special purpose trust and the Trust is paid the residual cash flow from the bonds held by the special purpose trust.

The Trust generally invests in inverse floating rate investments that include embedded leverage, thus exposing the Trust to greater risks and increased costs. The market value of a leveraged inverse floating rate investment generally will fluctuate in response to changes in market rates of interest to a greater extent than the value of an unleveraged investment. The extent of increases and decreases in the value of inverse floating rate investments generally will be larger than changes in an equal principal amount of a fixed rate security having similar credit quality, redemption provisions and maturity, which may cause the Trust s net asset value to be more volatile than if it had not invested in inverse floating rate investments.

In certain instances, the short-term floating rate interests created by the special purpose trust may not be able to be sold to third parties or, in the case of holders tendering (or putting) such interests for repayment of principal, may not be able to be remarketed to third parties. In such cases, the special purpose trust holding the long-term fixed rate bonds may be collapsed. In the case of RIBs or TOBs created by the contribution of long-term fixed income bonds by the Trust, the Trust will then be required to repay the principal amount of the tendered securities. During times of market volatility, illiquidity or uncertainty, the Trust could be required to sell other portfolio holdings at a disadvantageous time to raise cash to meet that obligation.

6. Derivative Financial Instruments

A derivative financial instrument in very general terms refers to a security whose value is derived from the value of an underlying asset, reference rate or index.

The Trust may use derivative instruments for a variety of reasons, such as to attempt to protect the Trust against possible changes in the market value of its portfolio, to manage the portfolio s effective yield, maturity and duration, or generate potential gain. All of the Trust s portfolio holdings, including derivative instruments, are marked to market each day with the change in value reflected in unrealized appreciation/depreciation. Upon disposition, a realized gain or loss is generally recognized.

The Trust adopted FASB ASC 815, *Derivatives and Hedging* (ASC 815) (formerly known as FAS 161), effective May 1, 2009. ASC 815 is intended to improve financial reporting about derivative instruments by requiring enhanced disclosures to enable investors to better understand how and why the Trust uses derivative instruments, how these derivative instruments are accounted for and their effects on the Trust s financial position and results of operations.

The Trust is subject to interest rate risk or exchange rate risk in the normal course of pursuing its investment objectives. The Trust may use futures contracts to gain exposure to, or hedge against changes in the value of interest rates or exchange rates. A futures contract is an agreement involving the delivery of a particular asset on a specified future date at an agreed upon price. Upon entering into futures contracts, the Trust maintains an amount of cash or liquid securities with a value equal to a percentage of the contract amount with either a

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

futures commission merchant pursuant to the rules and regulations promulgated under the 1940 Act, or with its custodian in an account in the broker s name. This amount is known as initial margin. During the period the futures contract is open, payments are received from or made to the broker based upon changes in the value of the contract (the variation margin). When entering into futures contracts, the Trust bears the risk of interest rates or exchange rates or securities prices moving unexpectedly, in which case, the Trust may not achieve the anticipated benefits of the futures contracts and may realize a loss. With futures, there is minimal counterparty credit risk to the Trust since futures are exchange traded and the exhange s clearinghouse, as a counterparty to all exchange traded futures, guarantees the futures against default. The risk of loss associated with a futures contract is in excess of the variation margin reflected on the Statement of Assets and Liabilities.
There were no transactions in futures contracts for the year ended October 31, 2009.

7. Preferred Shares
The Trust has outstanding 10,200 Auction Preferred Securities (APS). Series A and B contain 2,250 shares, Series C, D and E contain 1,500 shares, and Series F contains 1,200 shares. Dividends are cumulative and the dividend rate on each series is generally reset every 28 days through an auction process. Beginning on February 14, 2008 and continuing through October 31, 2009, all series of preferred shares of the Trust were not successfully remarketed. As a result, the dividend rates of these preferred shares were reset to the maximum applicable rate on APS. The average rate in effect on October 31, 2009 was 0.185%. During the year ended October 31, 2009, the rates ranged from 0.177% to 3.077%.
Historically, the Trust paid annual fees equivalent to 0.25% of the preferred share liquidation value for the remarketing efforts associated with the preferred auction. Effective March 16, 2009, the Trust decreased this amount to 0.15% due to auction failures. In the future, if auctions no longer fail, the Trust may return to an annual fee payment of 0.25% of the preferred share liquidation value. These fees are included as a component of Preferred Share Maintenance expense on the Statement of Operations.
The APS are redeemable at the option of the Trust in whole or in part at the liquidation value of $25,000 per share plus accumulated and unpaid dividends. The Trust is subject to certain asset coverage tests and the APS are subject to mandatory redemption if the tests are not met.
The Trust entered into additional floating rate note obligations as an alternative form of leverage in order to redeem and retire a portion of its preferred shares. For the year ended October 31, 2009, transactions in preferred shares were as follows:

	Series A		Series B		Series C	
	Shares	Value	Shares	Value	Shares	Value
Outstanding at 10/31/08	2,400	$ 60,000,000	2,400	$ 60,000,000	1,600	$ 40,000,000
Shares Retired	(150)	(3,750,000)	(150)	(3,750,000)	(100)	(2,500,000)
Outstanding at 10/31/09	2,250	$ 56,250,000	2,250	$ 56,250,000	1,500	$ 37,500,000

Van Kampen Municipal Opportunity Trust
Notes to Financial Statements n **October 31, 2009** *continued*

	Series D		Series E		Series F	
	Shares	**Value**	**Shares**	**Value**	**Shares**	**Value**
Outstanding at 10/31/08	1,600	$ 40,000,000	1,600	$ 40,000,000	1,280	$ 32,000,000
Shares Retired	(100)	(2,500,000)	(100)	(2,500,000)	(80)	(2,000,000)
Outstanding at 10/31/09	1,500	$ 37,500,000	1,500	$ 37,500,000	1,200	$ 30,000,000

8. Line of Credit
During the year, several Van Kampen municipal funds, including the Trust, entered into a $150,000,000 joint revolving bank credit facility. The purpose of the facility is to provide availability of funds for short-term liquidity purposes. There were no borrowings under the facility during the year.

9. Indemnifications
The Trust enters into contracts that contain a variety of indemnifications. The Trust s maximum exposure under these arrangements is unknown. However, the Trust has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

10. Significant Event
On October 19, 2009, Morgan Stanley & Co., Inc., the parent company of Van Kampen Investments, Inc., announced that it has reached a definitive agreement to sell its retail asset management business to Invesco Ltd. The transaction includes a sale of the part of the asset management business that advises funds, including the Van Kampen family of funds. The transaction is subject to certain approvals and other conditions, and is currently expected to close in mid-2010.

11. Accounting Pronouncements
During June 2009, FASB issued Statement of Financial Accounting Standards No. 166, *Accounting for Transfers of Financial Assets an amendment of FASB Statement No. 140* (FAS 166). The objective of FAS 166 is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor s continuing involvement, if any, in transferred financial assets. FAS 166 is effective as of the beginning of each reporting entity s first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. The recognition and measurement provisions of FAS 166 must be applied to transfers occurring on or after the effective date. Additionally, the disclosure provisions of FAS 166 should be applied to transfers that occurred both before and after the effective date of FAS 166. At this time, management is evaluating the implications of FAS 166 and the impact it will have on the financial statement amounts and disclosures, if any.

Van Kampen Municipal Opportunity Trust
Report of Independent Registered Public Accounting Firm

To the Board of Trustees and Shareholders of Van Kampen Municipal Opportunity Trust

We have audited the accompanying statement of assets and liabilities of Van Kampen Municipal Opportunity Trust (the Trust), including the portfolio of investments, as of October 31, 2009, the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Trust s management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2009, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Van Kampen Municipal Opportunity Trust as of October 31, 2009, the results of its operations and its cash flows for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

DELOITTE & TOUCHE LLP
Chicago, Illinois
December 21, 2009

Van Kampen Municipal Opportunity Trust
Dividend Reinvestment Plan

The dividend reinvestment plan (the Plan) offers you a prompt and simple way to reinvest your dividends and capital gains distributions (Distributions) into additional shares of the Trust. Under the Plan, the money you earn from Distributions will be reinvested automatically in more shares of the Trust, allowing you to potentially increase your investment over time.

Plan benefits

Add to your account

You may increase your shares in the Trust easily and automatically with the Plan.

Low transaction costs

Shareholders who participate in the Plan are able to buy shares at below-market prices when the Trust is trading at a premium to its net asset value. In addition, transaction costs are low because when new shares are issued by the Trust, there is no brokerage fee, and when shares are bought in blocks on the open market, the brokerage commission is shared among all participants.

Convenience

You will receive a detailed account statement from Computershare Trust Company , N.A., (the Agent) which administers the Plan. The statement shows your total Distributions, dates of investment, shares acquired, and price per share, as well as the total number of shares in your reinvestment account. You can also access your account at vankampen.com.

Safekeeping

The Agent will hold the shares it has acquired for you in safekeeping.

How to participate in the Plan

If you own shares in your own name, you can participate directly in the Plan. If your shares are held in street name in the name of your brokerage firm, bank, or other financial institution you must instruct that entity to participate on your behalf. If they are unable to participate on your behalf, you may request that they reregister your shares in your own name so that you may enroll in the Plan.
If you choose to participate in the Plan, your Distributions will be promptly reinvested for you, automatically increasing your shares. If the Trust is trading at a share price that is equal to its net asset value (NAV), you ll pay that amount for your reinvested shares. However, if the Trust is trading above or below NAV, the price is determined by one of two ways:

1. **Premium** If the Trust is trading at a premium a market price that is higher than its NAV you ll pay either the NAV or 95 percent of the market price,

Van Kampen Municipal Opportunity Trust
Dividend Reinvestment Plan *continued*

whichever is greater. When the Trust trades at a premium, you ll pay less for your reinvested shares than an ordinary investor purchasing shares on the stock exchange. Keep in mind, a portion of your price reduction may be taxable because you are receiving shares at less than market price.

2. **Discount** If the Trust is trading at a discount a market price that is lower than its NAV you ll pay the market price for your reinvested shares.

How to enroll

To enroll in the Plan, please read the Terms and Conditions in the Plan brochure. You can obtain a copy of the Plan Brochure and enroll in the Plan by visiting vankampen.com, calling toll-free (800) 341-2929 or notifying us in writing at Van Kampen Closed End Funds, Computershare Trust Company, N.A., P.O. Box 43078, Providence, RI 02940-3078. Please include the Trust name and account number and ensure that all shareholders listed on the account sign these written instructions. Your participation in the Plan will begin with the next Distribution payable after the Agent receives your authorization, as long as they receive it before the record date, which is generally ten business days before the dividend is paid. If your authorization arrives after such record date, your participation in the Plan will begin with the following Distribution.

Costs of the plan

There is no direct charge to you for reinvesting Distributions because the Plan s fees are paid by the Trust. However, when applicable, you will pay your portion of any brokerage commissions incurred when the new shares are purchased on the open market. These brokerage commissions are typically less than the standard brokerage charges for individual transactions, because shares are purchased for all participants in blocks, resulting in lower commissions for each individual participant. Any brokerage commissions or service fees are averaged into the purchase price.

Tax implications

The automatic reinvestment of Distributions does not relieve you of any income tax that may be due on Distributions. You will receive tax information annually to help you prepare your federal and state income tax returns.
Van Kampen does not offer tax advice. The tax information contained herein is general and is not exhaustive by nature. It was not intended or written to be used, and it cannot be used by any taxpayer, for avoiding penalties that may be imposed on the taxpayer under U.S. federal tax laws. Federal and state tax laws are complex and constantly changing. Shareholders should always consult a legal or tax advisor for information concerning their individual situation.

Van Kampen Municipal Opportunity Trust
Dividend Reinvestment Plan *continued*

How to withdraw from the Plan

To withdraw from the Plan please visit vankampen.com or call (800) 341-2929 or notify us in writing at the address below.

Van Kampen Closed-End Funds
Computershare Trust Company, N.A.
P.O. Box 43078
Providence, RI 02940-3078

All shareholders listed on the account must sign any written withdrawal instructions. If you withdraw, you have three options with regard to the shares held in your account:

1. If you opt to continue to hold your non-certificated whole shares (Investment Plan Book Shares), they will be held by the Agent electronically as Direct Registration Book-Shares (Book-Entry) and fractional shares will be sold at the then current market price. Proceeds will be sent via check to your address of record after deducting applicable fees and brokerage commissions.
2. If you opt to sell your shares through the Agent, we will sell all full and fractional shares and send the proceeds via check to your address of record after deducting brokerage commissions and a $2.50 service fee.
3. You may sell your shares through your financial advisor through the Direct Registration Systems (DRS). DRS is a service within the securities industry that allows Trust shares to be held in your name in electronic format. You retain full ownership of your shares, without having to hold a stock certificate.

The Trust and Computershare Trust Company, N.A. may amend or terminate the Plan. Participants will receive written notice at least 30 days before the effective date of any amendment. In the case of termination, Participants will receive written notice at least 30 days before the record date for the payment of any dividend or capital gains distribution by the Trust. In the case of amendment or termination necessary or appropriate to comply with applicable law or the rules and policies of the Securities and Exchange Commission or any other regulatory authority, such written notice will not be required.

To obtain a complete copy of the Dividend Reinvestment Plan, please call our Client Relations department at 800-341-2929 or visit vankampen.com.

Van Kampen Municipal Opportunity Trust
Board of Trustees, Officers and Important Addresses

(Unaudited)
For federal income tax purposes, the following information is furnished with respect to the distributions paid by the Trust during its taxable year ended October 31, 2009. The Trust designated 98.83% of the income distributions as a tax-exempt income distribution. In January, the Trust provides tax information to shareholders for the preceding calendar year.

* Interested persons of the Trust, as defined in the Investment Company Act of 1940, as amended.

Van Kampen Municipal Opportunity Trust
Results of Shareholder Votes

The Annual Meeting of the Shareholders of the Trust was held on June 17, 2009, where shareholders voted on the election of trustees.

With regard to the election of the following trustees by the common shareholders of the Trust:

	# of Shares	
	In Favor	**Withheld**
Rod Dammeyer	30,889,965	984,864
Wayne W. Whalen	30,890,469	984,360

With regard to the election of the following trustee by the preferred shareholders of the Trust:

	# of Shares	
	In Favor	**Withheld**
Linda Hutton Heagy	6,372	233

The other trustees of the Trust whose terms did not expire in 2009 are David C. Arch, Jerry D. Choate, R. Craig Kennedy, Howard J Kerr, Jack E. Nelson, Hugo F. Sonnenschein and Suzanne H. Woolsey.

Van Kampen Municipal Opportunity Trust
Trustees and Officers

The business and affairs of the Fund are managed under the direction of the Fund s Board of Trustees and the Fund s officers appointed by the Board of Trustees. The tables below list the trustees and executive officers of the Fund and their principal occupations during the last five years, other directorships held by trustees and their affiliations, if any, with Van Kampen Investments, the Adviser, the Distributor, Van Kampen Advisors Inc., Van Kampen Exchange Corp. and Investor Services. The term Fund Complex includes each of the investment companies advised by the Adviser as of the date of this Annual Report. Trustees of the Fund generally serve three year terms or until their successors are duly elected and qualified. Officers are annually elected by the trustees.

Independent Trustees:

Name, Age and Address of Independent Trustee	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen By Trustee	Other Directorships Held by Trustee
David C. Arch (64) Blistex Inc. 1800 Swift Drive Oak Brook, IL 60523	Trustee	Trustee since 1992	Chairman and Chief Executive Officer of Blistex Inc., a consumer health care products manufacturer.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Member of the Heartland Alliance Advisory Board, a nonprofit organization serving human needs based in Chicago. Board member of the Illinois Manufacturers Association. Member of the Board of Visitors, Institute for the Humanities, University of Michigan.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*

Name, Age and Address of Independent Trustee	**Position(s) Held with Fund**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**	**Number of Funds in Fund Complex Overseen By Trustee**	**Other Directorships Held by Trustee**
Jerry D. Choate (71) 33971 Selva Road Suite 130 Dana Point, CA 92629	Trustee	Trustee since 2003	Prior to January 1999, Chairman and Chief Executive Officer of the Allstate Corporation (Allstate) and Allstate Insurance Company. Prior to January 1995, President and Chief Executive Officer of Allstate. Prior to August 1994, various management positions at Allstate.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of Amgen Inc., a biotechnological company, and Valero Energy Corporation, an independent refining company.
Rod Dammeyer (69) CAC, LLC 4370 LaJolla Village Drive Suite 685 San Diego, CA 92122-1249	Trustee	Trustee since 1992	President of CAC, LLC, a private company offering capital investment and management advisory services.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of Quidel Corporation and Stericycle, Inc. Prior to May 2008, Trustee of The Scripps Research Institute. Prior to February 2008, Director of Ventana Medical Systems, Inc. Prior to April 2007, Director of GATX Corporation. Prior to April 2004, Director of TheraSense, Inc. Prior to January 2004, Director of TeleTech Holdings Inc. and Arris Group, Inc.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*

Name, Age and Address of Independent Trustee	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen By Trustee	Other Directorships Held by Trustee
Linda Hutton Heagy (61) 4939 South Greenwood Chicago, IL 60615	Trustee	Trustee since 2003	Prior to February 2008, Managing Partner of Heidrick & Struggles, an international executive search firm. Prior to 1997, Partner of Ray & Berndtson, Inc., an executive recruiting firm. Prior to 1995, Executive Vice President of ABN AMRO, N.A., a bank holding company. Prior to 1990, Executive Vice President of The Exchange National Bank.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Trustee on the University of Chicago Medical Center Board, Vice Chair of the Board of the YMCA of Metropolitan Chicago and a member of the Women s Board of the University of Chicago.
R. Craig Kennedy (57) 1744 R Street, NW Washington, DC 20009	Trustee	Trustee since 2003	Director and President of the German Marshall Fund of the United States, an independent U.S. foundation created to deepen understanding, promote collaboration and stimulate exchanges of practical experience between Americans and Europeans. Formerly, advisor to the Dennis Trading Group Inc., a managed futures and option company that invests money for individuals and institutions. Prior to 1992, President and Chief	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of First Solar, Inc.

			Executive Officer, Director and member of the Investment Committee of the Joyce Foundation, a private foundation.		
Howard J Kerr (74) 14 Huron Trace Galena, IL 61036	Trustee	Trustee since 1992	Prior to 1998, President and Chief Executive Officer of Pocklington Corporation, Inc., an investment holding company.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of the Lake Forest Bank & Trust. Director of the Marrow Foundation.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*

Name, Age and Address of Independent Trustee	**Position(s) Held with Fund**	**Term of Office and Length of Time Served**	**Principal Occupation(s) During Past 5 Years**	**Number of Funds in Fund Complex Overseen By Trustee**	**Other Directorships Held by Trustee**
Jack E. Nelson (73) 423 Country Club Drive Winter Park, FL 32789	Trustee	Trustee since 2003	President of Nelson Investment Planning Services, Inc., a financial planning company and registered investment adviser in the State of Florida. President of Nelson Ivest Brokerage Services Inc., a member of the Financial Industry Regulatory Authority (FINRA), Securities Investors Protection Corp. and the Municipal Securities Rulemaking Board. President of Nelson Sales and Services Corporation, a marketing and services company to support affiliated companies.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex.
Hugo F. Sonnenschein (69) 1126 E. 59th Street Chicago, IL 60637	Trustee	Trustee since 1994	President Emeritus and Honorary Trustee of the University of Chicago and the Adam Smith Distinguished Service Professor in the Department of Economics at the University of Chicago. Prior to July 2000, President of the University of Chicago.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Trustee of the University of Rochester and a member of its investment committee. Member of the National Academy of Sciences, the American Philosophical Society and a fellow of the American Academy of Arts

and Sciences.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*

Name, Age and Address of Independent Trustee	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen By Trustee	Other Directorships Held by Trustee
Suzanne H. Woolsey, Ph.D. (68) 815 Cumberstone Road Harwood, MD 20776	Trustee	Trustee since 2003	Chief Communications Officer of the National Academy of Sciences/National Research Council, an independent, federally chartered policy institution, from 2001 to November 2003 and Chief Operating Officer from 1993 to 2001. Prior to 1993, Executive Director of the Commission on Behavioral and Social Sciences and Education at the National Academy of Sciences/National Research Council. From 1980 through 1989, Partner of Coopers & Lybrand.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Trustee of Changing World Technologies, Inc., an energy manufacturing company, since July 2008. Director of Fluor Corp., an engineering, procurement and construction organization, since January 2004. Director of Intelligent Medical Devices, Inc., a symptom based diagnostic tool for physicians and clinical labs. Director of the Institute for Defense Analyses, a federally funded research and development center, Director of the German Marshall Fund of the United States, Director of the Rocky Mountain Institute and Trustee of California Institute of Technology and the Colorado College.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*
Interested Trustees:*

Name, Age and Address of Interested Trustee	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Funds in Fund Complex Overseen By Trustee	Other Directorships Held by Trustee
Wayne W. Whalen* (70) 155 North Wacker Drive Chicago, IL 60606	Trustee	Trustee since 1992	Partner in the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, legal counsel to funds in the Fund Complex.	88	Trustee/Director/Managing General Partner of funds in the Fund Complex. Director of the Abraham Lincoln Presidential Library Foundation.

As indicated above, prior to February 2008, Ms. Heagy was an employee of Heidrick and Struggles, an international executive search firm (Heidrick). Heidrick has been (and may continue to be) engaged by Morgan Stanley from time to time to perform executive searches. Such searches have been done by professionals at Heidrick without any involvement by Ms. Heagy. Ethical wall procedures exist to ensure that Ms. Heagy will not have any involvement with any searches performed by Heidrick for Morgan Stanley. Ms. Heagy does not receive any compensation, directly or indirectly, for searches performed by Heidrick for Morgan Stanley.

* Mr. Whalen is an interested person (within the meaning of Section 2(a)(19) of the 1940 Act) of certain funds in the Fund Complex by reason of he and his firm currently providing legal services as legal counsel to such funds in the Fund Complex.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*

Officers:

Name, Age and Address of Officer	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Edward C. Wood III (53) 1 Parkview Plaza Suite 100 Oakbrook Terrace, IL 60181	President and Principal Executive Officer	Officer since 2008	President and Principal Executive Officer of funds in the Fund Complex since November 2008. Managing Director of Van Kampen Investments Inc., the Adviser, the Distributor, Van Kampen Advisors Inc. and Van Kampen Exchange Corp. since December 2003. Chief Administrative Officer of the Adviser, Van Kampen Advisors Inc. and Van Kampen Exchange Corp. since December 2002. Chief Operating Officer of the Distributor since December 2002. Director of Van Kampen Advisors Inc., the Distributor and Van Kampen Exchange Corp. since March 2004. Director of the Adviser since August 2008. Director of Van Kampen Investments Inc. and Van Kampen Investor Services Inc. since June 2008. Previously, Director of the Adviser and Van Kampen Investments Inc. from March 2004 to January 2005 and Chief Administrative Officer of Van Kampen Investments Inc. from 2002 to 2009.
Kevin Klingert (47) 522 Fifth Avenue New York, NY 10036	Vice President	Officer since 2008	Vice President of funds in the Fund Complex since May 2008. Global Head, Chief Operating Officer and acting Chief Investment Officer of the Fixed Income Group of Morgan Stanley Investment Management Inc. since April 2008. Head of Global Liquidity Portfolio Management and co-Head of Liquidity Credit Research of Morgan Stanley Investment Management since December 2007. Managing Director of Morgan Stanley Investment Management Inc. from December 2007 to March 2008. Previously, Managing Director on the Management Committee and head of Municipal Portfolio Management and Liquidity at BlackRock from October 1991 to January 2007.
Stefanie V. Chang Yu (43) 522 Fifth Avenue New York, NY 10036	Vice President and Secretary	Officer since 2003	Managing Director of Morgan Stanley Investment Management Inc. Vice President and Secretary of funds in the Fund Complex.

John L. Sullivan (54) 1 Parkview Plaza Suite 100 Oakbrook Terrace, IL 60181	Chief Compliance Officer	Officer since 1996	Chief Compliance Officer of funds in the Fund Complex since August 2004. Prior to August 2004, Director and Managing Director of Van Kampen Investments, the Adviser, Van Kampen Advisors Inc. and certain other subsidiaries of Van Kampen Investments, Vice President, Chief Financial Officer and Treasurer of funds in the Fund Complex and head of Fund Accounting for Morgan Stanley Investment Management Inc. Prior to December 2002, Executive Director of Van Kampen Investments, the Adviser and Van Kampen Advisors Inc.

Van Kampen Municipal Opportunity Trust
Trustees and Officers *continued*

Name, Age and Address of Officer	Position(s) Held with Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past 5 Years
Stuart N. Schuldt (47) 1 Parkview Plaza Suite 100 Oakbrook Terrace, IL 60181	Chief Financial Officer and Treasurer	Officer since 2007	Executive Director of Morgan Stanley Investment Management Inc. since June 2007. Chief Financial Officer and Treasurer of funds in the Fund Complex since June 2007. Prior to June 2007, Senior Vice President of Northern Trust Company, Treasurer and Principal Financial Officer for Northern Trust U.S. mutual fund complex.

In accordance with Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, the Trust s Chief Executive Officer has certified to the New York Stock Exchange that, as of July 1, 2009, he was not aware of any violation by the Trust of NYSE corporate governance listing standards.

The certifications by the Trust s principal executive officer and principal financial officer required by Rule 30a-2 under the 1940 Act were filed with the Trust s report to the SEC on Form N-CSR and are available on the Securities and Exchange Commissions s web site at http://www.sec.gov.

Your Notes

Your Notes

Your Notes

Van Kampen Municipal Opportunity Trust
An Important Notice Concerning Our
U.S. Privacy Policy

We are required by federal law to provide you with a copy of our privacy policy (Policy) annually.

This Policy applies to current and former individual clients of certain Van Kampen closed-end funds and related companies.

This Policy is not applicable to partnerships, corporations, trusts or other non-individual clients or account holders, nor is this Policy applicable to individuals who are either beneficiaries of a trust for which we serve as trustee or participants in an employee benefit plan administered or advised by us. This Policy is, however, applicable to individuals who select us to be a custodian of securities or assets in individual retirement accounts, 401(k) accounts, 529 Educational Savings Accounts, accounts subject to the Uniform Gifts to Minors Act, or similar accounts. We may amend this Policy at any time, and will inform you of any changes to this Policy as required by law.

We Respect Your Privacy

We appreciate that you have provided us with your personal financial information and understand your concerns about safeguarding such information. We strive to maintain the privacy of such information while we help you achieve your financial objectives. This Policy describes what nonpublic personal information we collect about you, how we collect it, when we may share it with others, and how others may use it. It discusses the steps you may take to limit our sharing of information about you with affiliated Van Kampen companies (affiliated companies). It also discloses how you may limit our affiliates use of shared information for marketing purposes. Throughout this Policy, we refer to the nonpublic information that personally identifies you or your accounts as personal information.

1. What Personal Information Do We Collect About You?

To better serve you and manage our business, it is important that we collect and maintain accurate information about you. We obtain this information from applications and other forms you submit to us, from your dealings with us, from consumer reporting agencies, from our websites and from third parties and other sources. For example:

We collect information such as your name, address, e-mail address, telephone/fax numbers, assets, income and investment objectives through application forms you submit to us.

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Van Kampen Municipal Opportunity Trust
An Important Notice Concerning Our
U.S. Privacy Policy *continued*

We may obtain information about account balances, your use of account(s) and the types of products and services you prefer to receive from us through your dealings and transactions with us and other sources.

We may obtain information about your creditworthiness and credit history from consumer reporting agencies.

We may collect background information from and through third-party vendors to verify representations you have made and to comply with various regulatory requirements.

If you interact with us through our public and private Web sites, we may collect information that you provide directly through online communications (such as an e-mail address). We may also collect information about your Internet service provider, your domain name, your computer s operating system and Web browser, your use of our Web sites and your product and service preferences, through the use of cookies. Cookies recognize your computer each time you return to one of our sites, and help to improve our sites content and personalize your experience on our sites by, for example, suggesting offerings that may interest you. Please consult the Terms of Use of these sites for more details on our use of cookies.

2. When Do We Disclose Personal Information We Collect About You?

To provide you with the products and services you request, to better serve you, to manage our business and as otherwise required or permitted by law, we may disclose personal information we collect about you to other affiliated companies and to nonaffiliated third parties.

a. Information We Disclose to Our Affiliated Companies. In order to manage your account(s) effectively, including servicing and processing your transactions, to let you know about products and services offered by us and affiliated companies, to manage our business, and as otherwise required or permitted by law, we may disclose personal information about you to other affiliated companies. Offers for products and services from affiliated companies are developed under conditions designed to safeguard your personal information.

b. Information We Disclose to Third Parties. We do not disclose personal information that we collect about you to nonaffiliated third parties except to enable them to provide marketing services on our behalf, to perform joint marketing agreements with other financial institutions, and as otherwise required or permitted by law. For example, some instances where we may disclose information about you to third

(continued on next page)

Van Kampen Municipal Opportunity Trust
An Important Notice Concerning Our
U.S. Privacy Policy *continued*

parties include: for servicing and processing transactions, to offer our own products and services, to protect against fraud, for institutional risk control, to respond to judicial process or to perform services on our behalf. When we share personal information with a nonaffiliated third party, they are required to limit their use of personal information about you to the particular purpose for which it was shared and they are not allowed to share personal information about you with others except to fulfill that limited purpose or as may be required by law.

3. How Do We Protect The Security and Confidentiality Of Personal Information We Collect About You?

We maintain physical, electronic and procedural security measures to help safeguard the personal information we collect about you. We have internal policies governing the proper handling of client information. Third parties that provide support or marketing services on our behalf may also receive personal information about you, and we require them to adhere to confidentiality standards with respect to such information.

4. How Can You Limit Our Sharing Of Certain Personal Information About You With Our Affiliated Companies For Eligibility Determination?

We respect your privacy and offer you choices as to whether we share with our affiliated companies personal information that was collected to determine your eligibility for products and services such as credit reports and other information that you have provided to us or that we may obtain from third parties (eligibility information). Please note that, even if you direct us not to share certain eligibility information with our affiliated companies, we may still share your personal information, including eligibility information, with those companies under circumstances that are permitted under applicable law, such as to process transactions or to service your account. We may also share certain other types of personal information with affiliated companies such as your name, address, telephone number, e-mail address and account number(s), and information about your transactions and experiences with us.

5. How Can You Limit the Use of Certain Personal Information About You by our Affiliated Companies for Marketing?

You may limit our affiliated companies from using certain personal information about you that we may share with them for marketing their products or services to you. This information includes our transactions and other experiences with you such as your

(continued on next page)

Van Kampen Municipal Opportunity Trust
An Important Notice Concerning Our
U.S. Privacy Policy *continued*

assets and account history. Please note that, even if you choose to limit our affiliated companies from using certain personal information about you that we may share with them for marketing their products and services to you, we may still share such personal information about you with them, including our transactions and experiences with you, for other purposes as permitted under applicable law.

6. How Can You Send Us an Opt-Out Instruction?

If you wish to limit our sharing of certain personal information about you with our affiliated companies for eligibility purposes and for our affiliated companies use in marketing products and services to you as described in this notice, you may do so by:

Calling us at (800) 341-2929
Monday-Friday between 9 a.m. and 6 p.m. (EST)

Writing to us at the following address:
Van Kampen Closed-End Privacy Department
Harborside Financial Center, Plaza Two, 3rd Floor
Jersey City, NJ 07311

If you choose to write to us, your written request should include: your name, address, telephone number and account number(s) to which the opt-out applies and should not be sent with any other correspondence. In order to process your request, we require that the request be provided by you directly and not through a third party. Once you have informed us about your privacy preferences, your opt-out preference will remain in effect with respect to this Policy (as it may be amended) until you notify us otherwise. If you are a joint account owner, we will accept instructions from any one of you and apply those instructions to the entire account. Please allow approximately 30 days from our receipt of your opt-out for your instructions to become effective.

Please understand that if you opt-out, you and any joint account holders may not receive certain Van Kampen or our affiliated companies products and services that could help you manage your financial resources and achieve your investment objectives.

If you have more than one account with us or our affiliates, you may receive multiple privacy policies from us, and would need to follow the directions stated in each particular policy for each account you have with us.

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Van Kampen Municipal Opportunity Trust
An Important Notice Concerning Our
U.S. Privacy Policy *continued*

SPECIAL NOTICE TO RESIDENTS OF VERMONT

This section supplements our Policy with respect to our individual clients who have a Vermont address and supersedes anything to the contrary in the above Policy with respect to those clients only.

The State of Vermont requires financial institutions to obtain your consent prior to sharing personal information that they collect about you with affiliated companies and nonaffiliated third parties other than in certain limited circumstances. Except as permitted by law, we will not share personal information we collect about you with nonaffiliated third parties or other affiliated companies unless you provide us with your written consent to share such information (opt-in).

If you wish to receive offers for investment products and services offered by or through other affiliated companies, please notify us in writing at the following address:

Van Kampen Closed-End Privacy Department
Harborside Financial Center, Plaza Two, 3rd Floor
Jersey City, NJ 07311

Your authorization should include: your name, address, telephone number and account number(s) to which the opt-in applies and should not be sent with any other correspondence. In order to process your authorization, we require that the authorization be provided by you directly and not through a third-party.

Van Kampen Funds Inc.
522 Fifth Avenue
New York, New York 10036
www.vankampen.com

VMOANN 12/09
IU09-05321P-Y10/09

Item 2. Code of Ethics.

(a) The Trust has adopted a code of ethics (the Code of Ethics) that applies to its principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Trust or a third party.

(b) No information need be disclosed pursuant to this paragraph.

(c) Due to personnel changes at the Adviser, the general counsel s designee set forth in Exhibit C was amended in April 2009. Both editions of Exhibit C are attached.

(d) Not applicable.

(e) Not applicable.

(f)

(1) The Trust s Code of Ethics is attached hereto as Exhibit 12(1).

(2) Not applicable.

(3) Not applicable.

Item 3. Audit Committee Financial Expert.

The Trust s Board of Trustees has determined that it has three audit committee financial experts serving on its audit committee, each of whom are independent Trustees : Rod Dammeyer, Jerry Choate and R. Craig Kennedy. Under applicable securities laws, a person who is determined to be an audit committee financial expert will not be deemed an expert for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification of a person as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities that are greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and Board of Trustees in the absence of such designation or identification.

Item 4. Principal Accountant Fees and Services.
(a)(b)(c)(d) and (g). Based on fees billed for the periods shown:
2009

	Registrant	Covered Entities[1]
Audit Fees	$37,945	N/A
Non-Audit Fees		
Audit-Related Fees	$ 415(3)	$ 1,110,000(2)
Tax Fees	$ 2,750(4)	$ 0
All Other Fees	$ 0	$ 0
Total Non-Audit Fees	$ 3,165	$ 1,110,000
Total	$41,110	$ 1,110,000

2008

	Registrant	Covered Entities[1]
Audit Fees	$37,945	N/A
Non-Audit Fees		
Audit-Related Fees	$ 415(3)	$ 215,000(2)
Tax Fees	$ 2,750(4)	$ 0
All Other Fees	$ 0	$ 0
Total Non-Audit Fees	$ 3,165	$ 215,000
Total	$41,110	$ 215,000

N/A- Not applicable, as not required by Item 4.

(1) Covered Entities include the Adviser (excluding sub-advisors) and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Registrant.

(2) Audit-Related Fees represent

assurance and related services provided that are reasonably related to the performance of the audit of the financial statements of the Covered Entities and funds advised by the Adviser or its affiliates, specifically attestation services provided in connection with a SAS 70 Report.

(3) Audit-Related Fees represent assurance and related services provided that are reasonably related to the performance of the audit of the financial statements of the Registrant, specifically annual agreed upon procedures for rating agencies.

(4) Tax Fees represent tax advice and compliance services provided in connection with the review of the Registrant s tax.

(e)(1) The audit committee s pre-approval policies and procedures are as follows:

JOINT AUDIT COMMITTEE
AUDIT AND NON-AUDIT SERVICES
PRE-APPROVAL POLICY AND PROCEDURES
OF THE
VAN KAMPEN FUNDS
AS ADOPTED JULY 23, 2003 AND AMENDED MAY 26, 2004[1]

1. STATEMENT OF PRINCIPLES

The Audit Committee of the Board is required to review and, in its sole discretion, pre-approve all Covered Services to be provided by the Independent Auditors to the Fund and Covered Entities in order to assure that services performed by the Independent Auditors do not impair the auditor s independence from the Fund.[2]

The SEC has issued rules specifying the types of services that an independent auditor may not provide to its audit client, as well as the audit committee s administration of the engagement of the independent auditor. The SEC s rules establish two different approaches to pre-approving services, which the SEC considers to be equally valid. Proposed services either: may be pre-approved without consideration of specific case-by-case services by the Audit Committee (general pre-approval); or require the specific pre-approval of the Audit Committee (specific pre-approval). The Audit Committee believes that the combination of these two approaches in this Policy will result in an effective and efficient procedure to pre-approve services performed by the Independent Auditors. As set forth in this Policy, unless a type of service has received general pre-approval, it will require specific pre-approval by the Audit Committee (or by any member of the Audit Committee to which pre-approval authority has been delegated) if it is to be provided by the Independent Auditors. Any proposed services exceeding pre-approved cost levels or budgeted amounts will also require specific pre-approval by the Audit Committee.

For both types of pre-approval, the Audit Committee will consider whether such services are consistent with the SEC s rules on auditor independence. The Audit Committee will also consider whether the Independent Auditors are best positioned to provide the most effective and efficient services, for reasons such as its familiarity with the Fund s business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the Fund s ability to manage or control risk or improve audit quality. All such factors will be considered as a whole, and no one factor should necessarily be determinative.

The Audit Committee is also mindful of the relationship between fees for audit and non-audit services in deciding whether to pre-approve any such services and may determine for each fiscal year, the appropriate ratio between the total amount of fees for Audit, Audit-related and Tax services for the Fund (including any Audit-related or Tax service fees for Covered Entities that were subject to pre-approval), and the total amount of fees for certain permissible non-audit services classified as All Other services for the Fund (including any such services for Covered Entities subject to pre-approval).

The appendices to this Policy describe the Audit, Audit-related, Tax and All Other services that have the general pre-approval of the Audit Committee. The term of any general pre-approval is 12 months from the date of pre-approval, unless the Audit Committee considers and provides a different period and states otherwise. The Audit Committee will annually review and pre-approve the services that may be provided by the Independent Auditors without obtaining specific pre-approval

[1] This Joint Audit Committee Audit and Non-Audit Services Pre-Approval Policy and Procedures (the Policy),

amended as of the date above, supercedes and replaces all prior versions that may have been amended from time to time.

2 Terms used in this Policy and not otherwise defined herein shall have the meanings as defined in the Joint Audit Committee Charter.

from the Audit Committee. The Audit Committee will add to or subtract from the list of general pre-approved services from time to time, based on subsequent determinations.

The purpose of this Policy is to set forth the policy and procedures by which the Audit Committee intends to fulfill its responsibilities. It does not delegate the Audit Committee s responsibilities to pre-approve services performed by the Independent Auditors to management.

The Fund s Independent Auditors have reviewed this Policy and believes that implementation of the Policy will not adversely affect the Independent Auditors independence.

2. Delegation

As provided in the Act and the SEC s rules, the Audit Committee may delegate either type of pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the Audit Committee at its next scheduled meeting.

3. Audit Services

The annual Audit services engagement terms and fees are subject to the specific pre-approval of the Audit Committee. Audit services include the annual financial statement audit and other procedures required to be performed by the Independent Auditors to be able to form an opinion on the Fund s financial statements. These other procedures include information systems and procedural reviews and testing performed in order to understand and place reliance on the systems of internal control, and consultations relating to the audit. The Audit Committee will monitor the Audit services engagement as necessary, but no less than on a quarterly basis, and will also approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Fund structure or other items.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant general pre-approval to other Audit services, which are those services that only the Independent Auditors reasonably can provide. Other Audit services may include statutory audits and services associated with SEC registration statements (on Forms N-1A, N-2, N-3, N-4, etc.), periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

The Audit Committee has pre-approved the Audit services in Appendix B.1. All other Audit services not listed in Appendix B.1 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated).

4. Audit-related Services

Audit-related services are assurance and related services that are reasonably related to the performance of the audit or review of the Fund s financial statements or, to the extent they are Covered Services, the Covered Entities financial statements, or that are traditionally performed by the Independent Auditors. Because the Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor and is consistent with the SEC s rules on auditor independence, the Audit Committee may grant general pre-approval to Audit-related services. Audit-related services include, among others, accounting consultations related to accounting, financial reporting or disclosure matters not classified as Audit services ; assistance with understanding and implementing new accounting and financial reporting guidance from rulemaking authorities; agreed-upon or expanded audit procedures related to accounting and/or billing records required to respond to or comply with financial, accounting or regulatory reporting matters; and assistance with internal control reporting requirements under Forms N-SAR and/or N-CSR.

The Audit Committee has pre-approved the Audit-related services in Appendix B.2. All other Audit-related services not listed in Appendix B.2 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated).

5. Tax Services

The Audit Committee believes that the Independent Auditors can provide Tax services to the Fund and, to the extent they are Covered Services, the Covered Entities, such as tax compliance, tax planning and tax advice without impairing the auditor s independence, and the SEC has stated that the Independent Auditors may provide such services. Hence, the Audit Committee believes it may grant general pre-approval to those Tax services that have historically been provided by the Independent Auditors, that the Audit Committee has reviewed and believes would not impair the independence of the Independent Auditors, and that are consistent with the SEC s rules on auditor independence. The Audit Committee will not permit the retention of the Independent Auditors in connection with a transaction initially recommended by the Independent Auditors, the sole business purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee will consult with Director of Tax or outside counsel to determine that the tax planning and reporting positions are consistent with this policy.

Pursuant to the preceding paragraph, the Audit Committee has pre-approved the Tax Services in Appendix B.3. All Tax services involving large and complex transactions not listed in Appendix B.3 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated), including tax services proposed to be provided by the Independent Auditors to any executive officer or trustee/director/managing general partner of the Fund, in his or her individual capacity, where such services are paid for by the Fund (generally applicable only to internally managed investment companies).

6. All Other Services

The Audit Committee believes, based on the SEC s rules prohibiting the Independent Auditors from providing specific non-audit services, that other types of non-audit services are permitted. Accordingly, the Audit Committee believes it may grant general pre-approval to those permissible non-audit services classified as All Other services that it believes are routine and recurring services, would not impair the independence of the auditor and are consistent with the SEC s rules on auditor independence.

The Audit Committee has pre-approved the All Other services in Appendix B.4. Permissible All Other services not listed in Appendix B.4 must be specifically pre-approved by the Audit Committee (or by any member of the Audit Committee to which pre-approval has been delegated).

A list of the SEC s prohibited non-audit services is attached to this policy as Appendix B.5. The SEC s rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions.

7. Pre-Approval Fee Levels or Budgeted Amounts

Pre-approval fee levels or budgeted amounts for all services to be provided by the Independent Auditors will be established annually by the Audit Committee. Any proposed services exceeding these levels or amounts will require specific pre-approval by the Audit Committee. The Audit Committee is mindful of the overall relationship of fees for audit and non-audit services in determining whether to pre-approve any such services. For each fiscal year, the Audit Committee may determine the appropriate ratio between the total amount of fees for Audit, Audit-related, and Tax services for the Fund (including any Audit-related or Tax services fees for Covered Entities subject to pre-approval), and the total amount of fees for certain permissible non-audit services classified as All Other services for the Fund (including any such services for Covered Entities subject to pre-approval).

8. Procedures

All requests or applications for services to be provided by the Independent Auditors that do not require specific approval by the Audit Committee will be submitted to the Fund s Chief Financial Officer and must include a detailed description of the services to be rendered. The Fund s Chief Financial Officer will determine whether such services are included within the list of services that have received the general pre-approval of the Audit Committee. The Audit Committee will be informed on a timely basis of any such services rendered by the Independent Auditors. Requests or applications to provide services that require specific approval by the Audit Committee will be submitted to the Audit Committee by both the Independent Auditors and the Fund s Chief Financial Officer, and must include a joint statement as to whether, in their view, the request or application is consistent with the SEC s rules on auditor independence.

The Audit Committee has designated the Fund s Chief Financial Officer to monitor the performance of all services provided by the Independent Auditors and to determine whether such services are in compliance with this Policy. The Fund s Chief Financial Officer will report to the Audit Committee on a periodic basis on the results of its monitoring. A sample report is included as Appendix B.7. Both the Fund s Chief Financial Officer and management will immediately report to the chairman of the Audit Committee any breach of this Policy that comes to the attention of the Fund s Chief Financial Officer or any member of management.

9. Additional Requirements

The Audit Committee has determined to take additional measures on an annual basis to meet its responsibility to oversee the work of the Independent Auditors and to assure the auditor s independence from the Fund, such as reviewing a formal written statement from the Independent Auditors delineating all relationships between the Independent Auditors and the Fund, consistent with Independence Standards Board No. 1, and discussing with the Independent Auditors its methods and procedures for ensuring independence.

10. Covered Entities

Covered Entities include the Fund s investment adviser(s) and any entity controlling, controlled by or under common control with the Fund s investment adviser(s) that provides ongoing services to the Fund(s). Beginning with non-audit service contracts entered into on or after May 6, 2003, the Fund s audit committee must pre-approve non-audit services provided not only to the Fund but also to the Covered Entities if the engagements relate directly to the operations and financial reporting of the Fund. This list of Covered Entities would include:

- Van Kampen Investments Inc.
- Van Kampen Asset Management
- Van Kampen Advisors Inc.
- Van Kampen Funds Inc.
- Van Kampen Investor Services Inc.
- Morgan Stanley Investment Management Inc.
- Morgan Stanley Trust Company
- Morgan Stanley Investment Management Ltd.
- Morgan Stanley Investment Management Company
- Morgan Stanley Asset & Investment Trust Management Company Ltd.

(e)(2) Beginning with non-audit service contracts entered into on or after May 6, 2003, the audit committee also is required to pre-approve services to Covered Entities to the extent that the services

are determined to have a direct impact on the operations or financial reporting of the Registrant. 100% of such services were pre-approved by the audit committee pursuant to the Audit Committee s pre-approval policies and procedures (included herein).
(f) Not applicable.
(g) See table above.
(h) The audit committee of the Board of Trustees has considered whether the provision of services other than audit services performed by the auditors to the Registrant and Covered Entities is compatible with maintaining the auditors independence in performing audit services.
Item 5. Audit Committee of Listed Registrants.
(a) The Trust has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act whose members are: R. Craig Kennedy, Jerry Choate and Rod Dammeyer.
(b) Not applicable.
Item 6. Schedule of Investments.
(a) Please refer to Item #1.
(b) Not applicable.
Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.
The Trust invests in exclusively non-voting securities and therefore this item is not applicable to the Trust.
Item 8. Portfolio Managers of Closed-End Management Investment Companies.
PORTFOLIO MANAGEMENT. As of the date of this report, the Fund is managed by members of the Municipal Fixed Income team. The team consists of portfolio managers and analysts. Current members of the team jointly and primarily responsible for the day-to-day management of the Fund s portfolio and the overall execution of the strategy of the Fund are Thomas Byron, a Vice President of the Adviser, Robert J. Stryker, a Vice President of the Adviser and Robert W. Wimmel, an Executive Director of the Adviser.
Mr. Byron has been associated with the Adviser in an investment management capacity since 1981 and began managing the Fund in December 2009. Mr. Stryker has been associated with the Adviser in an investment management capacity since 1994 and began managing the Fund in December 2009. Mr. Wimmel has been associated with the Adviser in an investment management capacity since August 1996 and began managing the Fund in November 2001.
The composition of the team may change from time to time.

OTHER ACCOUNTS MANAGED BY THE PORTFOLIO MANAGERS

As of December 7, 2009:
Mr. Byron managed 27 registered investment companies with a total of approximately $11.0 billion in assets; no pooled investment vehicles other than registered investment companies; and two other accounts with a total of approximately $29.0 million in assets.

Mr. Stryker managed 32 registered investment companies with a total of approximately $11.9 billion in assets; no pooled investment vehicles other than registered investment companies; and two other accounts with a total of approximately $29.0 million in assets.
Mr. Wimmel managed 28 registered investment companies with a total of approximately $11.7 billion in assets; no pooled investment vehicles other than registered investment companies; two other accounts with a total of approximately $29.0 million in assets.
Because the portfolio managers manages assets for other investment companies, pooled investment vehicles, and/or other accounts (including institutional clients, pension plans and certain high net worth individuals), there may be an incentive to favor one client over another resulting in conflicts of interest. For instance, the Adviser may receive fees from certain accounts that are higher than the fee it receives from the Fund, or it may receive a performance-based fee on certain accounts. In those instances, the portfolio manager may have an incentive to favor the higher and/or performance-based fee accounts over the Fund. In addition, a conflict of interest could exist to the extent the Adviser has proprietary investments in certain accounts, where portfolio managers have personal investments in certain accounts or when certain accounts are investment options in the Adviser s employee benefits and/or deferred compensation plans. The portfolio manager may have an incentive to favor these accounts over others. If the Adviser manages accounts that engage in short sales of securities of the type in which the Fund invests, the Adviser could be seen as harming the performance of the Fund for the benefit of the accounts engaged in short sales if the short sales cause the market value of the securities to fall. The Adviser has adopted trade allocation and other policies and procedures that it believes are reasonably designed to address these and other conflicts of interest.

P PORTFOLIO MANAGERS COMPENSATION STRUCTURE

Portfolio managers receive a combination of base compensation and discretionary compensation, comprised of a cash bonus and several deferred compensation programs described below. The methodology used to determine portfolio manager compensation is applied across all accounts managed by the portfolio manager.
BASE SALARY COMPENSATION. Generally, portfolio managers receive base salary compensation based on the level of their position with the Adviser.
DISCRETIONARY COMPENSATION. In addition to base compensation, portfolio managers may receive discretionary compensation.
Discretionary compensation can include:
- Cash Bonus;
- Morgan Stanley s Long-Term Incentive Compensation Program awards a mandatory program that defers a portion of discretionary year-end compensation into restricted stock units or other awards based on Morgan Stanley common stock that are subject to vesting and other conditions;
- Investment Management Alignment Plan (IMAP) awards a mandatory program that defers a portion of discretionary year-end compensation and notionally invests it in designated funds advised by the Adviser or its affiliates. The award is subject to vesting and other conditions. Portfolio managers must notionally invest a minimum of 25% to a maximum of 100% of their IMAP deferral account into a combination of the designated open-end funds they manage that are included in the IMAP Fund menu. For 2008 awards, a clawback provision was implemented that could be triggered if the individual engages in conduct detrimental to the Advisor or its affiliates.
- Voluntary Deferred Compensation Plans voluntary programs that permit certain employees to elect to defer a portion of their discretionary year-end compensation or notionally invest the deferred amount across a range of designated investment funds, including funds advised by the Adviser or its affiliates.

Several factors determine discretionary compensation, which can vary by portfolio management team and circumstances. In order of relative importance, these factors include:

- Investment performance. A portfolio manager s compensation is linked to the pre-tax investment performance of the funds/accounts managed by the portfolio manager. Investment performance is calculated for one-, three- and five-year periods measured against an appropriate securities market index (or indices) for the funds/accounts managed by the portfolio manager. Other funds/accounts managed by the same portfolio manager may be measured against this same index and same rankings or ratings, if appropriate, or against other indices and other rankings or ratings that are deemed more appropriate given the size and/or style of such funds/accounts as set forth in such funds /accounts disclosure materials and guidelines. The assets managed by the portfolio manager in funds, pooled investment vehicles and other accounts are described in Other Accounts Managed by the Portfolio Manager above. Generally, the greatest weight is placed on the three- and five-year periods.
- Revenues generated by the investment companies, pooled investment vehicles and other accounts managed by the portfolio manager.
- Contribution to the business objectives of the Adviser.
- The dollar amount of assets managed by the portfolio manager.
- Market compensation survey research by independent third parties.
- Other qualitative factors, such as contributions to client objectives.
- Performance of Morgan Stanley and Morgan Stanley Investment Management Inc., and the overall performance of the investment team(s) of which the portfolio manager is a member.

SECURITIES OWNERSHIP OF PORTFOLIO MANAGERS

As of December 7, 2009, the portfolio managers did not own any shares of the Fund.

Item 9. Purchase of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

Not Applicable.

Item 10. Submission of Matters to a Vote of Security Holders.

Not Applicable.

Item 11. Controls and Procedures

(a) The Trust s principal executive officer and principal financial officer have concluded that the Trust s disclosure controls and procedures are sufficient to ensure that information required to be disclosed by the Trust in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission s rules and forms, based upon such officers evaluation of these controls and procedures as of a date within 90 days of the filing date of the report.

(b) There were no changes in the registrant s internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant s internal control over financial reporting.

Item 12. Exhibits.

(1) The Code of Ethics for Principal Executive and Senior Financial Officers is attached hereto.

(2)(a) A certification for the Principal Executive Officer of the registrant is attached hereto as part of EX-99.CERT.

(2)(b) A certification for the Principal Financial Officer of the registrant is attached hereto as part of EX-99.CERT.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Van Kampen Municipal Opportunity Trust

By: /s/ Edward C. Wood III
Name: Edward C. Wood III
Title: Principal Executive Officer
Date: December 17, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Edward C. Wood III
Name: Edward C. Wood III
Title: Principal Executive Officer
Date: December 17, 2009

By: /s/ Stuart N. Schuldt

Name: Stuart N. Schuldt
Title: Principal Financial Officer
Date: December 17, 2009

sed consolidated income statements for the three and nine months ended September 30, 2016 is presented below:

(in thousands)	Three Months Ended September 30, 2016 (1)	Nine Months Ended September 30, 2016 (1)
Commodity contracts	$ —	$ (233)
Fair value adjustment for natural gas inventory designated as the hedged item	—	681
Total increase in purchased gas cost	$ —	$ 448

The increase in purchased gas cost is comprised of the following:		
Basis ineffectiveness	$ —	$ (83)
Timing ineffectiveness	—	531
Total ineffectiveness	$ —	$ 448

(1) There were no natural gas futures commodity contracts designated as fair value hedges in 2015.

Basis ineffectiveness arises from natural gas market price differences between the locations of the hedged inventory and the delivery location specified in the hedging instruments. Timing ineffectiveness arises due to changes in the difference between the spot price and the futures price, as well as the difference between the timing of the settlement of the futures and the valuation of the underlying physical commodity. As the commodity contract nears the settlement date, spot-to-forward price differences should converge, which should reduce or eliminate the impact of this ineffectiveness on purchased gas cost. To the extent that our natural gas inventory does not qualify as a hedged item in a fair-value hedge, or has not been designated as such, the natural gas inventory is valued at the lower of cost or market.

Hedging Activities in 2015

In March, May and June 2015, Sharp paid a total of approximately $143,000 to purchase put options to protect against a decline in propane prices and related potential inventory losses associated with 2.5 million gallons for the propane price cap program in the 2015-2016 heating season. We exercised the put options as propane prices fell below the strike prices of $0.4950, $0.4888 and $0.4500 per gallon in December 2015 through February 2016 and $0.4200 per gallon in January through March 2016. We received approximately $239,000, which represents the difference between the market prices

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and the strike prices during those months. We accounted for the put options as fair value hedges.

In March, May and June 2015, Sharp entered into swap agreements to mitigate the risk of fluctuations in wholesale propane index prices associated with 2.5 million gallons purchased in December 2015 through March 2016. Under these swap agreements, Sharp would have received the difference between the index prices (Mont Belvieu prices in December 2015 through March 2016) and the swap prices, which ranged from $0.5200 to $0.5950 per gallon, for each swap agreement, to the extent the index prices exceeded the swap prices. If the index prices were lower than the swap prices, Sharp would pay the difference. These swap agreements essentially fixed the price of the 2.5 million gallons that we purchased during this period. We accounted for the swap agreements as cash flow hedges. Sharp paid approximately $484,000, which represents the difference between the index prices and swap prices during those months of the swap agreements.

Commodity Contracts for Trading Activities

Xeron engages in trading activities using forward and futures contracts for propane and crude oil. These contracts are considered derivatives and have been accounted for using the mark-to-market method of accounting. Under this method, the trading contracts are recorded at fair value, and the changes in fair value of those contracts are recognized as unrealized gains or losses in the statements of income for the period of change. As of September 30, 2016, Xeron had no outstanding contracts that were accounted for as derivatives.

Xeron entered into master netting agreements with two counterparties to mitigate exposure to counterparty credit risk. The master netting agreements enable Xeron to net these two counterparties' outstanding accounts receivable and payable, which are presented on a gross basis in the accompanying condensed consolidated balance sheets. At September 30, 2016, Xeron had no accounts receivable or accounts payable balances to offset with these two counterparties. At December 31, 2015, Xeron had a right to offset $431,000 of accounts payable with these two counterparties. At December 31, 2015, Xeron did not have outstanding accounts receivable with these two counterparties.

The following tables present information about the fair value and related gains and losses of our derivative contracts. We did not have any derivative contracts with a credit-risk-related contingency. The fair values of the derivative contracts recorded in the condensed consolidated balance sheets as of September 30, 2016 and December 31, 2015, are as follows:

	Asset Derivatives		
		Fair Value As Of	
(in thousands)	Balance Sheet Location	September 30, 2016	December 31, 2015
Derivatives not designated as hedging instruments			
Forward & Future contracts	Mark-to-market energy assets	$—	$ 1
Derivatives designated as fair value hedges			
Put options	Mark-to-market energy assets	—	152
Derivatives designated as cash flow hedges			
Natural gas futures contracts	Mark-to-market energy assets	240	—
Propane swap agreements	Mark-to-market energy assets	237	—
Total asset derivatives		$477	$ 153

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(in thousands)	Liability Derivatives Balance Sheet Location	Fair Value As Of September 30, 2016	December 31, 2015
Derivatives not designated as hedging instruments			
Forward contracts	Mark-to-market energy liabilities	$—	$ 1
Natural gas futures contracts	Mark-to-market energy liabilities	29	—
Derivatives designated as fair value hedges			
Natural gas futures contracts	Mark-to-market energy liabilities	—	—
Derivatives designated as cash flow hedges			
Propane swap agreements	Mark-to-market energy liabilities	—	323
Natural gas futures contracts	Mark-to-market energy liabilities	—	109
Total liability derivatives		$29	$ 433

The effects of gains and losses from derivative instruments on the condensed consolidated financial statements are as follows:

		Amount of Gain (Loss) on Derivatives:			
		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands)	Location of Gain (Loss) on Derivatives	2016	2015	2016	2015
Derivatives not designated as hedging instruments					
Realized gain (loss) on forward contracts [1]	Revenue	$ (231)	$ 187	$ 44	$ 393
Unrealized gain (loss) on forward contracts [1]	Revenue	(2)	(7)	—	71
Natural gas futures contracts	Cost of sales	205	—	205	—
Propane swap agreements	Cost of sales	—	—	—	18
Derivatives designated as fair value hedges					
Put /Call options	Cost of sales	—	—	73	506
Put /Call options [2]	Propane Inventory	—	(46)	—	(79)
Natural gas futures contracts	Natural Gas Inventory	—	—	(233)	—
Derivatives designated as cash flow hedges					
Propane swap agreements	Cost of sales	—	—	(364)	—
Propane swap agreements	Other Comprehensive Gain (Loss)	213	(126)	559	(128)
Call options	Cost of sales	—	—	—	(81)
Natural gas futures contracts	Cost of sales	105	—	464	—
Natural gas futures contracts	Other Comprehensive Gain (Loss)	(123)	—	349	—
Total		$ 167	$ 8	$ 1,097	$ 700

(1) All of the realized and unrealized gain (loss) on forward contracts represents the effect of trading activities on our condensed consolidated statements of income.

(2) As a fair value hedge with no ineffective portion, the unrealized gains and losses associated with this call option are recorded in cost of sales, offset by the corresponding change in the value of propane inventory (hedged item),

which is also recorded in cost of sales. The amounts in cost of sales offset to zero, and the unrealized gains and losses of this put option effectively changed the value of propane inventory.

13. Fair Value of Financial Instruments

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GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation methods used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are the following:
Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3: Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable (i.e. supported by little or no market activity).

Financial Assets and Liabilities Measured at Fair Value
The following table summarizes our financial assets and liabilities that are measured at fair value on a recurring basis and the fair value measurements, by level, within the fair value hierarchy as of September 30, 2016 and December 31, 2015:

		Fair Value Measurements Using:		
As of September 30, 2016	Fair Value	Quoted- Prices- in Active Markets (Level 1)	Significant- Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(in thousands)				
Assets:				
Investments—equity securities	$ 21	$21	$ —	$ —
Investments—guaranteed income fund	$ 485	$—	$ —	$ 485
Investments—mutual funds and other	$ 4,124	$4,124	$ —	$ —
Mark-to-market energy assets, incl. put options and swap agreements	$ 477	$—	$ 477	$ —
Liabilities:				
Mark-to-market energy liabilities incl. swap agreements	$ 29	$—	$ 29	$ —

		Fair Value Measurements Using:		
As of December 31, 2015	Fair Value	Quoted- Prices- in Active Markets (Level 1)	Significant- Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(in thousands)				
Assets:				
Investments—equity securities	$ 18	$18	$ —	$ —
Investments—guaranteed income fund	$ 279	$—	$ —	$ 279
Investments—mutual funds and other	$ 3,347	$3,347	$ —	$ —
Mark-to-market energy assets, incl. put/call options	$ 153	$—	$ 153	$ —
Liabilities:				
Mark-to-market energy liabilities, incl. swap agreements	$ 433	$—	$ 433	$ —

The following valuation techniques were used to measure fair value assets in the tables above on a recurring basis as of September 30, 2016 and December 31, 2015:
Level 1 Fair Value Measurements:

Investments - equity securities — The fair values of these trading securities are recorded at fair value based on unadjusted quoted prices in active markets for identical securities.

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Investments - mutual funds and other — The fair values of these investments, comprised of money market and mutual funds, are recorded at fair value based on quoted net asset values of the shares.
Level 2 Fair Value Measurements:
Mark-to-market energy assets and liabilities — These forward contracts are valued using market transactions in either the listed or OTC markets.
Propane put/call options, swap agreements and natural gas futures contracts – The fair value of the propane put/call options, swap agreements and natural gas futures contracts are measured using market transactions for similar assets and liabilities in either the listed or OTC markets.
Level 3 Fair Value Measurements:
Investments- guaranteed income fund — The fair values of these investments are recorded at the contract value, which approximates their fair value.
The following table sets forth the summary of the changes in the fair value of Level 3 investments for the nine months ended September 30, 2016 and 2015:

	Nine Months Ended September 30,	
	2016	2015
(in thousands)		
Beginning Balance	$279	$287
Purchases and adjustments	120	(11)
Transfers	88	(3)
Distribution	(8)	—
Investment income	6	3
Ending Balance	$485	$276

Investment income from the Level 3 investments is reflected in other income (expense) in the accompanying condensed consolidated statements of income.

At September 30, 2016, there were no non-financial assets or liabilities required to be reported at fair value. We review our non-financial assets for impairment at least on an annual basis, as required.
Other Financial Assets and Liabilities
Financial assets with carrying values approximating fair value include cash and cash equivalents and accounts receivable. Financial liabilities with carrying values approximating fair value include accounts payable and other accrued liabilities and short-term debt. The fair value of cash and cash equivalents is measured using the comparable value in the active market and approximates its carrying value (Level 1 measurement). The fair value of short-term debt approximates the carrying value due to its short maturities and because interest rates approximate current market rates (Level 3 measurement).
At September 30, 2016, long-term debt, including current maturities but excluding a capital lease obligation, had a carrying value of approximately $151.8 million. This compares to a fair value of approximately $173.5 million, using a discounted cash flow methodology that incorporates a market interest rate based on published corporate borrowing rates for debt instruments with similar terms and average maturities, and with adjustments for duration, optionality, and risk profile. At December 31, 2015, long-term debt, including the current maturities but excluding a capital lease obligation, had a carrying value of approximately $153.7 million, compared to the estimated fair value of approximately $165.1 million. The valuation technique used to estimate the fair value of long-term debt would be considered a Level 3 measurement.

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14. Long-Term Debt

Our outstanding long-term debt is shown below:

(in thousands)	September 30, 2016	December 31, 2015
FPU secured first mortgage bonds [1] :		
9.08% bond, due June 1, 2022	$7,976	$ 7,973
Uncollateralized senior notes:		
6.64% note, due October 31, 2017	5,455	5,455
5.50% note, due October 12, 2020	10,000	10,000
5.93% note, due October 31, 2023	22,500	24,000
5.68% note, due June 30, 2026	29,000	29,000
6.43% note, due May 2, 2028	7,000	7,000
3.73% note, due December 16, 2028	20,000	20,000
3.88% note, due May 15, 2029	50,000	50,000
Promissory notes	168	238
Capital lease obligation	3,814	4,824
Total long-term debt	155,913	158,490
Less: current maturities	(12,087)	(9,151)
Less: debt issuance costs	(301)	(333)
Total long-term debt, net of current maturities	$143,525	$ 149,006

[1] FPU secured first mortgage bonds are guaranteed by Chesapeake Utilities.

Shelf Agreement

On October 8, 2015, we entered into a Shelf Agreement with Prudential. Under the terms of the Shelf Agreement, through October 8, 2018, we may request that Prudential purchase up to $150.0 million of our Shelf Notes at a fixed interest rate and with a maturity date not to exceed 20 years from the date of issuance. Prudential is under no obligation to purchase any of the Shelf Notes. The interest rate and terms of payment of any series of Shelf Notes will be determined at the time of purchase. We currently anticipate the proceeds from the sale of any series of Shelf Notes will be used for general corporate purposes, including refinancing of short-term borrowing and/or repayment of outstanding indebtedness and financing capital expenditures on future projects; however, actual use of such proceeds will be determined at the time of a purchase.

On May 13, 2016, we submitted a request that Prudential purchase $70.0 million of 3.25 percent Shelf Notes under the Shelf Agreement. On May 20, 2016, Prudential accepted and confirmed our request. The proceeds received from the issuances of the Shelf Notes will be used to reduce short-term borrowings under the Company’s revolving credit facility, lines of credit and/or to fund capital expenditures. The closing of the sale and issuance of the Shelf Notes is expected to occur on or before April 28, 2017.

The Shelf Agreement sets forth certain business covenants to which we are subject when any Shelf Note is outstanding, including covenants that limit or restrict our ability, and the ability of our subsidiaries, to incur indebtedness, place or permit liens and encumbrances on any of our property or the property of our subsidiaries.

15. Short-Term Borrowing

On October 8, 2015, we entered into the Credit Agreement with the Lenders for a $150.0 million Revolver for a term of five years, subject to the terms and conditions of the Credit Agreement. Borrowings under the Revolver will be used for general corporate purposes, including repayments of short-term borrowings, working capital requirements and capital expenditures.

Borrowings under the Revolver will bear interest at: (i) the LIBOR Rate plus an applicable margin of 1.25 percent or less, with such margin based on total indebtedness as a percentage of total capitalization, both as defined by the Credit Agreement, or (ii) the base rate plus 0.25 percent or less. Interest will be payable quarterly, and the Revolver is subject to a commitment fee on the unused portion of the facility. We may extend the expiration date for up to two years on any anniversary date of the Revolver, with such extension subject to the Lenders' approval. We may also request the Lenders

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to increase the Revolver to $200.0 million, with any increase at the sole discretion of each Lender. At September 30, 2016 and December 31, 2015, we had outstanding borrowings of $50.0 million and $35.0 million, respectively, under the Revolver.

The net proceeds from the sale of our common stock on September 22, 2016, of approximately $57.3 million, after deducting underwriting commissions and expenses, were added to our general funds and used to repay a portion of our short-term debt under unsecured lines of credit.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations is designed to provide a reader of the financial statements with a narrative report on our financial condition, results of operations and liquidity. This discussion and analysis should be read in conjunction with the attached unaudited condensed consolidated financial statements and notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2015, including the audited consolidated financial statements and notes thereto.

Safe Harbor for Forward-Looking Statements

We make statements in this Quarterly Report on Form 10-Q that do not directly or exclusively relate to historical facts. Such statements are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. One can typically identify forward-looking statements by the use of forward-looking words, such as "project," "believe," "expect," "anticipate," "intend," "plan," "estimate," "continue," "potential," "forecast" or other similar wo or conditional verbs such as "may," "will," "should," "would" or "could." These statements represent our intentions, plans, expectations, assumptions and beliefs about future financial performance, business strategy, projected plans and objectives of the Company. These statements are subject to many risks, uncertainties and other important factors that could cause actual results to differ materially from those expressed in the forward-looking statements. Such factors include, but are not limited to:

- state and federal legislative and regulatory initiatives (including deregulation) that affect cost and investment recovery, have an impact on rate structures and affect the speed at, and the degree to, which competition enters the electric and natural gas industries;
- the outcomes of regulatory, tax, environmental and legal matters, including whether pending matters are resolved within current estimates and whether the costs associated with such matters are adequately covered by insurance or recoverable in rates;
- the weather and other natural phenomena, including the economic, operational and other effects of hurricanes, ice storms and other damaging weather events;
- industrial, commercial and residential growth or contraction in our markets or service territories;
- the timing and extent of changes in commodity prices and interest rates;
- the capital-intensive nature of our regulated energy businesses;
- the extent of our success in connecting natural gas and electric supplies to transmission systems and in expanding natural gas and electric markets;
- the results of financing efforts, including our ability to obtain financing on favorable terms, which can be affected by various factors, including credit ratings and general economic conditions;
- the ability to establish and maintain new key supply sources;
- changes in environmental and other laws and regulations to which we are subject and environmental conditions of property that we now or may in the future own or operate;
- general economic conditions, including any potential effects arising from terrorist attacks and any hostilities or other external factors over which we have no control;
- conditions of the capital markets and equity markets during the periods covered by the forward-looking statements;
- the ability to continue to hire, train and retain appropriately qualified personnel;
- the creditworthiness of counterparties with which we are engaged in transactions;
- the effect of spot, forward and future market prices on our various energy businesses;

- the ability to construct facilities at or below estimated costs;
- possible increased federal, state and local regulation of the safety of our operations;
- the ability to successfully execute, manage and integrate merger, acquisition or divestiture plans, regulatory or other limitations imposed as a result of a merger, acquisition or divestiture, and the success of the business following a merger, acquisition or divestiture;
- the inherent hazards and risks involved in our energy businesses;
- risks related to cyber-attacks that could disrupt our business operations or result in failure of information technology systems.

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- the effect of competition on our businesses;
- the impact on our cost and funding obligations under our pension and other post-retirement benefit plans of potential downturns in the financial markets, lower discount rates, and costs associated with the Patient Protection and Affordable Care Act;
- the effect of accounting pronouncements issued periodically by accounting standard-setting bodies;
- the timing of regulatory and other governmental approvals, authorizations, and permits; and
- the loss of customers due to a government-mandated sale of our utility distribution facilities.

Introduction

We are a diversified energy company engaged, directly or through our operating divisions and subsidiaries, in various energy and other businesses.

Our strategy is focused on growing earnings from a stable utility foundation and investing in related businesses and services that provide opportunities for returns greater than traditional utility returns. The key elements of this strategy include:

- executing a capital investment program in pursuit of organic growth opportunities that generate returns equal to or greater than our cost of capital;
- expanding the regulated energy distribution and transmission businesses into new geographic areas and providing new services in our current service territories;
- expanding the propane distribution business in existing and new markets through leveraging our community gas system services, our vehicular fuel offerings and our bulk delivery capabilities;
- expanding both our regulated and unregulated energy businesses through strategic acquisitions;
- utilizing our expertise across our various businesses to improve overall performance;
- pursuing and entering new unregulated energy markets and business lines that will complement our existing strategy and operating units;
- enhancing marketing channels to attract new customers;
- providing reliable and responsive customer service to existing customers so they become our best promoters;
- engaging our customers through a distinctive service excellence initiative;
- developing and retaining a high-performing team that advances our goals;
- empowering and engaging our employees at all levels to live our brand and vision;
- demonstrating community leadership and engaging our local communities and governments in a cooperative and mutually beneficial way;
- maintaining a capital structure that enables us to access capital as needed;
- continuing to build a branded culture that drives a shared mission, vision, and values;
- maintaining a consistent and competitive dividend for stockholders; and
- creating and maintaining a diversified customer base, energy portfolio and utility foundation.

Due to the seasonality of our business, results for interim periods are not necessarily indicative of results for the entire fiscal year. Revenue and earnings are typically greater during the first and fourth quarters, when consumption of energy is normally highest due to colder temperatures.

The following discussions and those elsewhere in the document on operating income and segment results include the use of the term “gross margin.” “Gross margin” is determined by deducting the cost of sales from operating revenue. Cost of sales includes the purchased fuel cost for natural gas, electricity and propane and the cost of labor spent on direct revenue-producing activities. Gross margin should not be considered an alternative to operating income or net income, which are determined in accordance with GAAP. Chesapeake Utilities believes that gross margin, although a non-GAAP measure, is meaningful in our regulated operations because the cost of natural gas and electricity are passed through to customers and changes in commodity prices can cause revenue to go up and down in ways that are not indicative of volumes sold or tied to profitability. Gross margin provides investors with information that demonstrates the profitability achieved by Chesapeake Utilities under its allowed rates for regulated operations and under its competitive pricing structure for non-regulated segments. Chesapeake Utilities' management uses gross margin in measuring its business units’ performance and has historically analyzed and reported gross margin information publicly. Other companies may calculate gross margin in a different manner.

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Unless otherwise noted, earnings per share information is presented on a diluted basis.

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Results of Operations for the Three and Nine Months ended September 30, 2016

Overview and Highlights

Our net income for the quarter ended September 30, 2016 was $4.4 million, or $0.29 per share. This represents a decrease of $703,000, or $0.04 per share, compared to the net income of $5.1 million, or $0.33 per share, as reported for the same quarter in 2015. Operating income decreased $753,000 for the three months ended September 30, 2016. Gross margin increased by $4.7 million, although other operating expenses increased by $5.5 million. The increase in other operating expenses, in part, reflects the fact that the higher expenses to support growth of our businesses are largely recognized equally across the year, while the margin from this growth is more concentrated in the heating season during the fourth and first quarters.

	Three Months Ended September 30,		Increase
	2016	2015	(decrease)
(in thousands except per share)			
Business Segment:			
Regulated Energy segment	$13,115	$11,828	$ 1,287
Unregulated Energy segment	(3,080)	(1,022)	(2,058)
Other businesses and eliminations	121	103	18
Operating Income	$10,156	$10,909	$ (753)
Other (expense) income, net	(28)	36	(64)
Interest charges	2,722	2,492	230
Pre-tax Income	7,406	8,453	(1,047)
Income taxes	2,990	3,334	(344)
Net Income	$4,416	$5,119	$ (703)
Earnings Per Share of Common Stock			
Basic	$0.29	$0.34	$ (0.05)
Diluted	$0.29	$0.33	$ (0.04)

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Key variances, between the third quarter of 2015 and the third quarter of 2016, included:

(in thousands, except per share data)	Pre-tax Income	Net Income	Earnings Per Share
Third Quarter of 2015 Reported Results	$8,453	$5,119	$ 0.33
Increased (Decreased) Gross Margins:			
Eight Flags*	2,033	1,212	0.08
Service expansions*	1,577	940	0.06
Natural gas growth (excluding service expansions)	943	562	0.04
GRIP*	920	549	0.04
Implementation of Delaware Division interim rates*	469	280	0.02
Lower retail propane margins	(414)	(247)	(0.02)
Lower margins for Xeron	(413)	(246)	(0.02)
Aspire Energy*	(407)	(243)	(0.02)
	4,708	2,807	0.18
Decreased (Increased) Other Operating Expenses:			
Higher payroll and benefits costs	(1,830)	(1,091)	(0.07)
Eight Flags operating expenses	(1,065)	(635)	(0.04)
Higher outside services costs	(928)	(553)	(0.04)
Higher facility maintenance	(601)	(358)	(0.02)
Higher depreciation, asset removal and property tax costs	(466)	(278)	(0.02)
	(4,890)	(2,915)	(0.19)
Interest charges	(230)	(137)	(0.01)
Net Other Changes	(635)	(458)	(0.02)
Third Quarter of 2016 Reported Results	$7,406	$4,416	$ 0.29

*See the Major Projects and Initiatives table.

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Our net income for the nine months ended September 30, 2016 was $32.8 million, or $2.14 per share. This represents an increase of $291,000 or a decrease of $0.02 per share, compared to net income of $32.5 million, or $2.16 per share, as reported for the same period in 2015. Our growth projects and initiatives generated earnings that were offset by the effect of warmer weather, primarily in the normally colder first quarter, as well as the $1.4 million lower net settlement gain associated with the customer billing system. The warmer weather reduced year-to-date earnings per share by $0.31 compared to the same period last year.

	Nine Months Ended September 30,		Increase (decrease)
	2016	2015	
(in thousands except per share)			
Business Segment:			
Regulated Energy segment	$52,660	$47,616	$ 5,044
Unregulated Energy segment	9,267	13,666	(4,399)
Other businesses and eliminations	350	305	45
Operating Income	$62,277	$61,587	690
Other (expense) income, net	(68)	(3)	(65)
Interest charges	7,996	7,425	571
Pre-tax Income	54,213	54,159	54
Income taxes	21,401	21,638	(237)
Net Income	$32,812	$32,521	$ 291
Earnings Per Share of Common Stock			
Basic	$2.14	$2.16	$ (0.02)
Diluted	$2.14	$2.16	$ (0.02)

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Key variances, between the first nine months of 2015 and the first nine months of 2016, included:

(in thousands, except per share data)	Pre-tax Income	Net Income	Earnings Per Share
Nine months ended September 30, 2015 Reported Results	$54,159	$32,521	$ 2.16
Adjusting for Unusual Items:			
Weather impact, primarily in the first quarter	(7,548)	(4,533)	(0.31)
Net gain from settlement agreement associated with customer billing system	(1,367)	(821)	(0.06)
	(8,915)	(5,354)	(0.37)
Increased (Decreased) Gross Margins:			
Service expansions*	5,516	3,312	0.22
GRIP*	3,069	1,843	0.12
Natural gas growth (excluding service expansions)	2,630	1,579	0.11
Eight Flags*	2,581	1,550	0.10
Lower retail propane margins	(2,204)	(1,324)	(0.09)
Implementation of Delaware Division interim rates*	1,350	811	0.05
Natural gas marketing	1,062	638	0.04
Sandpiper SIR	618	371	0.03
	14,622	8,780	0.58
Decreased (Increased) Other Operating Expenses:			
Higher payroll and benefits costs	(2,144)	(1,287)	(0.09)
Higher depreciation, asset removal and property tax costs	(1,705)	(1,024)	(0.07)
Eight Flags operating expenses	(1,136)	(682)	(0.05)
Higher outside services costs	(1,100)	(661)	(0.04)
Higher facility maintenance	(787)	(473)	(0.03)
Lower bad debt, sales and advertising	427	256	0.02
	(6,445)	(3,871)	(0.26)
Net contribution from Aspire Energy, including impact of shares issued*	2,069	1,274	0.08
Interest Charges	(571)	(343)	(0.02)
Net Other Changes	(706)	(195)	(0.03)
Nine months ended September 30, 2016 Reported Results	$54,213	$32,812	$ 2.14

*See the Major Projects and Initiatives table.

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Summary of Key Factors
Major Projects and Initiatives

The following table summarizes gross margin for our major projects and initiatives completed since 2014 and our major projects and initiatives currently underway, but which will be completed in the future. Gross margin reflects operating revenue less cost of sales, excluding depreciation, amortization and accretion (dollars in thousands):

	Gross Margin for the Period							
	Three Months Ended		Nine Months Ended		Total			
	September 30,		September 30,		2015	Estimate for		
	2016	2015	2016	2015	Margin	2016	2017	2018
Major projects and initiatives completed since 2014	$12,083	$7,490	$34,086	$17,030	$25,270	$47,603	$54,258	$54,727
Major projects and initiatives underway [(1)]	—	—	—	—	—	—	5,255	20,238
	$12,083	$7,490	$34,086	$17,030	$25,270	$47,603	$59,513	$74,965

(1) This represents gross margin for the System Reliability and 2017 Expansion projects.

Major Projects and Initiatives Completed Since 2014
The following table summarizes gross margin generated by our major projects and initiatives completed since 2014 on an individual basis (dollars in thousands):

	Gross Margin for the Period									
	Three Months Ended			Nine Months Ended			Total			
	September 30,			September 30,			2015	Estimate for		
	2016	2015	Variance	2016	2015	Variance	Margin	2016	2017	2018
Acquisition:										
Aspire Energy	$1,630	$2,037	$(407)	$8,203	$3,661	$4,542	$6,324	$12,674	$13,376	$14,302
Natural Gas Transmission Expansions and Contracts:										
Short-term contracts										
New Castle County, Delaware	$664	$507	$157	$2,040	$1,998	$42	$2,682	$2,910	$2,275	$714
Kent County, Delaware	2,416	1,055	1,361	6,231	1,453	4,778	2,270	7,982	1,377	—
Total short-term contracts	$3,080	$1,562	$1,518	$8,271	$3,451	$4,820	$4,952	$10,892	$3,652	$714
Long-term contracts										
Kent County, Delaware	455	463	(8)	1,366	1,389	(23)	1,844	1,815	7,629	7,605
Polk County, Florida	407	340	67	1,221	501	720	908	1,627	1,627	1,627
Total long-term contracts	$862	$803	$59	$2,587	$1,890	$697	$2,752	$3,442	$9,256	$9,232
Total Expansions & Contracts	$3,942	$2,365	$1,577	$10,858	$5,341	$5,517	$7,704	$14,334	$12,908	$9,946
Florida GRIP	$2,987	$2,067	$920	$8,383	$5,314	$3,069	$7,508	$11,405	$13,756	$15,960
Florida Electric Rate Case	$1,021	$1,021	$—	$2,714	$2,714	$—	$3,734	$3,562	$3,562	$3,562
Delaware Division Rate Case	$469	$—	$469	$1,347	$—	$1,347	$—	$2,164	$2,500	$2,500
Eight Flags CHP Plant	$2,034	$—	$2,034	$2,581	$—	$2,581	$—	$3,464	$8,156	$8,457

Total Completed Major Projects and Initiatives	$12,083	$7,490	$4,593	$34,086	$17,030	$17,056	$25,270	$47,603	$54,258	$54,727

Aspire Energy

Aspire Energy's gross margin decreased by $407,000 for the three months ended September 30, 2016, partly due to increased deliveries and imbalance positions that favorably impacted Aspire Energy in the third quarter of 2015, which are non-recurring. Lower margin associated with system volumes and imbalance positions in third quarter of 2016 also contributed to the decrease.

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For the nine months ended September 30, 2016, Aspire Energy generated $4.5 million in additional gross margin compared to the same period in 2015. Aspire Energy's gross margin for the same period in 2015 was lower due in part to the fact that the period included only six months of results commencing on April 1, 2015. Aspire Energy also generated additional gross margin primarily as a result of pricing amendments to long-term gas sales agreements, additional management fees and the optimization of gathering system receipts and deliveries. As projected, this merger was accretive to earnings per share in the first full year of operations.

Service Expansions

On January 16, 2015, the Florida PSC approved a firm transportation agreement between Peninsula Pipeline and our Florida natural gas distribution division. Pursuant to this agreement, Peninsula Pipeline provides natural gas transmission service to support our expansion of natural gas distribution service in Polk County, Florida. Peninsula Pipeline began the initial phase of its service to Chesapeake Utilities' Florida natural gas distribution division in March 2015. This new service generated $67,000 and $720,000 of additional gross margin for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015. When all phases of this service are complete, this expansion will generate an estimated annual gross margin of $1.6 million.

In April 2015, Eastern Shore commenced interruptible service to an electric power generator in Kent County, Delaware. The interruptible service concluded in December 2015 and was replaced by a short-term OPT ≤ 90 Service, which generated additional gross margin of $901,000 and $4.3 million during the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015. The short-term OPT ≤ 90 Service is expected to be replaced by a 20-year contract for OPT ≤ 90 Service in the first quarter of 2017.

On October 13, 2015, Eastern Shore submitted an application to the FERC to make certain measurement and related improvements at its TETLP interconnect facilities, which would enable Eastern Shore to increase natural gas receipts from TETLP by 53,000 Dts/d, for a total capacity of 160,000 Dts/d. In December 2015, the FERC authorized Eastern Shore to proceed with this project, which was completed and placed in service in March 2016. Approximately 85 percent of the increased capacity has been subscribed on a short-term firm service basis. This service generated an additional gross margin of $617,000 and $744,000 for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015, and is expected to generate approximately $1.4 million in additional gross margin for the year. The remaining capacity is available for firm or interruptible service.

GRIP

GRIP is a natural gas pipe replacement program approved by the Florida PSC, designed to expedite the replacement of qualifying distribution mains and services (any material other than coated steel or plastic) to enhance reliability and integrity of the Florida natural gas distribution systems. This program allows recovery, through regulated rates, of capital and other program-related costs, inclusive of a return on investment, associated with the replacement of the mains and services. Since the inception of the program in August 2012, we have invested $97.3 million to replace 209 miles of qualifying distribution mains, including $20.4 million during the first nine months of 2016. We expect to invest an additional $650,000 in this program during the remainder of 2016. The increased investment in GRIP generated additional gross margin of $920,000 and $3.1 million for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015.

Eight Flags

In June 2016, Eight Flags, completed construction of a CHP plant on Amelia Island, Florida. This CHP plant, which consists of a natural-gas-fired turbine and associated electric generator, produces approximately 20 megawatts of base load power and includes a heat recovery steam generator capable of providing approximately 75,000 pounds per hour of residual steam. On June 13, 2016, Eight Flags began selling power generated from the CHP plant to FPU, our wholly-owned subsidiary, pursuant to a 20-year power purchase agreement for distribution to its retail electric customers. On July 1, 2016, it also started selling steam to an industrial customer pursuant to a separate 20-year contract. The CHP plant is powered by natural gas transported by FPU through its distribution system. Eight Flags and other affiliates of Chesapeake Utilities generated $2.0 million and $2.6 million in additional gross margin as a result of these new services, for the three and nine months ended September 30, 2016 in which the CHP was operational. This amount includes gross margin of $464,000 and $892,000, for the three and nine months ended September 30, 2016, attributed to natural gas distribution and transportation services provided by our affiliates. On a consolidated basis, this project is expected to generate approximately $8.2 million in annual gross margin in 2017, which could fluctuate based upon various factors, including, but not limited to, the quantity of steam delivered and the CHP plant's hours of operations.

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Major Projects and Initiatives Underway

White Oak Mainline Expansion Project: In August 2014, Eastern Shore entered into a precedent agreement with an electric power generator in Kent County, Delaware, to provide a 20-year natural gas transmission service for 45,000 Dts/d for the customer's facility, upon the satisfaction of certain conditions. This new service will be provided as a long-term OPT ≤ 90 Service and is expected to generate at least $5.8 million in annual gross margin. In November 2014, Eastern Shore requested authorization by the FERC to construct 5.4 miles of 16-inch pipeline looping and 3,550 horsepower of new compression in Delaware to provide this service. As previously discussed, during the three and nine months ended September 30, 2016, compared to the same periods in 2015, we generated $901,000 and $4.3 million, respectively, in additional gross margin by providing interruptible service and short-term OPT ≤ 90 Service to this customer. On July 21, 2016, the FERC issued a certificate of public convenience and necessity authorizing Eastern Shore to construct and operate the proposed White Oak Mainline Project. Construction of the project is underway.

System Reliability Project: On May 22, 2015, Eastern Shore submitted an application to the FERC, seeking authorization to construct, own and operate approximately 10.1 miles of 16-inch pipeline looping and auxiliary facilities in New Castle and Kent Counties, Delaware and a new compressor at its existing Bridgeville compressor station in Sussex County, Delaware. Eastern Shore further proposes to reinforce critical points on its pipeline system. The total project will benefit all of Eastern Shore’s customers by modifying the pipeline system to respond to severe operational conditions experienced during actual winter peak days. Since the project is intended to improve system reliability, Eastern Shore requested a predetermination of rolled-in rate treatment for the costs of the project and an order granting the requested authorization. This project will be included in Eastern Shore's upcoming 2017 rate case filing. The estimated annual gross margin associated with this project, assuming recovery in the 2017 rate case, is approximately $4.5 million. On July 21, 2016, the FERC issued a certificate of public convenience and necessity authorizing Eastern Shore to construct and operate the proposed System Reliability Project. Construction of the project is underway.

2017 Expansion Project: On May 12, 2016, Eastern Shore submitted a request to the FERC to initiate the FERC's pre-filing procedures for its proposed 2017 Expansion Project. Since the time the pre-filing was initiated, Eastern Shore has finalized market participation for the project. Seven of Eastern Shore’s existing customers have signed Precedent Agreements. As a result, the project will provide 61,162 Dts/d of additional firm natural gas transportation deliverability on Eastern Shore’s pipeline system. To provide this additional capacity, the project’s final facilities will consist of approximately 23 miles of pipeline looping in Pennsylvania, Maryland and Delaware; upgrades to existing metering facilities in Lancaster County, Pennsylvania; installation of an additional 3,550 horsepower compressor unit at Eastern Shore’s existing Daleville compressor station in Chester County, Pennsylvania; and approximately 17 miles of new mainline extension and two pressure control stations in Sussex County, Delaware. The project will generate approximately $15.7 million in the first full year after the new transportation services go into effect.

Other factors influencing gross margin

Weather and Consumption

Although weather was not a significant factor in the second and third quarters, warmer temperatures during the first three months of the year, compared to temperatures in 2015, had a significant impact on the our earnings. Lower customer consumption, directly attributable to warmer temperatures during the nine months ended September 30, 2016, reduced gross margin by $7.5 million compared to the same period in 2015. The following tables summarize the HDD and CDD information for the three and nine months ended September 30, 2016 and 2015 resulting from weather fluctuations in those periods.

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HDD and CDD Information

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2016	2015	Variance	2016	2015	Variance
Delmarva						
Actual HDD	11	41	(30)	2,590	3,249	(659)
10-Year Average HDD ("Delmarva Normal")	65	65	—	2,919	2,908	11
Variance from Delmarva Normal	(54)	(24)		(329)	341	
Florida						
Actual HDD	—	—	—	646	501	145
10-Year Average HDD ("Florida Normal")	—	—	—	553	557	(4)
Variance from Florida Normal	—	—		93	(56)	
Ohio [1]						
Actual HDD	65	78	(13)	3,747	710	3,037
10-Year Average HDD ("Ohio Normal")	137	143	(6)	3,979	811	3,168
Variance from Ohio Normal	(72)	(65)		(232)	(101)	
Florida						
Actual CDD	1,523	1,591	(68)	2,737	2,827	(90)
10-Year Average CDD ("Florida CDD Normal")	1,523	1,524	(1)	2,548	2,506	42
Variance from Florida CDD Normal	—	67		189	321	

[1] HDD for Ohio is presented from April 1, 2015 through September 30, 2015.

Propane prices

Lower retail propane margins per gallon on the Delmarva Peninsula decreased gross margin by $344,000 and $2.2 million, for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015. Margins per retail gallon returned to more normal levels, driven principally by lower propane prices and local market conditions. The level of retail margins per gallon generated during 2015 were not expected to be sustained over the long term; accordingly, we have continued to assume more normal levels of margins in our long-term financial plans and forecasts.

In Florida, retail propane margins per gallon, generated $70,000 of lower margin and $61,000 of additional gross margin for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015.

These market conditions, which are influenced by competition with other propane suppliers as well as the availability and price of alternative energy sources, may fluctuate based on changes in demand, supply and other energy commodity prices.

Other Natural Gas Growth - Distribution Operations

In addition to service expansions, the natural gas distribution operations on the Delmarva Peninsula generated $253,000 and $1.1 million in additional gross margin for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015, due to an increase in residential, commercial and industrial customers served. The average number of residential customers on the Delmarva Peninsula during the three and nine months ended September 30, 2016, increased by 4.2 percent and 3.5 percent, respectively, compared to the same periods in 2015. The natural gas distribution operations in Florida generated $350,000 and $1.1 million in additional gross margin for the three and nine months ended September 30, 2016, respectively, compared to the same periods in 2015, due primarily to an increase in commercial and industrial customers in Florida.

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Delaware Division rate case

On December 21, 2015, our Delaware Division filed an application with the Delaware PSC for a base rate increase and certain other changes to its tariff. We proposed an increase of approximately $4.7 million, or nearly ten percent, in our revenue requirement based on the test period ending March 31, 2016. We also proposed new service offerings to promote growth and a revenue normalization mechanism for residential and small commercial customers. We expect a decision on the application during the first quarter of 2017. Pending the decision, our Delaware Division increased rates on an interim basis based on the $2.5 million annualized interim rates approved by the Delaware PSC, effective February 19, 2016 ("Phase I"). We recognized incremental revenue of approximately $469,000 ($280,000 net of tax) and $1.4 million ($817,000 net of tax) for the three and nine months ended September 30, 2016, respectively.

In addition, our Delaware Division requested and received approval on July 26, 2016 from the Delaware PSC to implement revised interim rates totaling $4.7 million (equal to the initial rate increase in our application) annualized for usage on and after August 1, 2016 ("Phase II"). These revised interim rates represent a five percent increase over Phase I rates. Revenue associated with these rates collected prior to a final Delaware PSC decision is subject to refund and, although the final decision is expected during the first quarter of 2017, we cannot predict the revenue requirement the Delaware PSC will ultimately authorize or forecast the timing of a final decision. Consequently, we will not recognize the impact of the potential additional revenue related to the Phase II rate increase until the Delaware PSC issues its approval in a final ruling.

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Regulated Energy Segment

For the quarter ended September 30, 2016 compared to the quarter ended September 30, 2015

	Three Months Ended September 30,		Increase
	2016	2015	(decrease)
(in thousands)			
Revenue	$70,019	$63,796	$ 6,223
Cost of sales	24,644	23,161	1,483
Gross margin	45,375	40,635	4,740
Operations & maintenance	22,912	19,882	3,030
Depreciation & amortization	6,346	6,129	217
Other taxes	3,002	2,796	206
Other operating expenses	32,260	28,807	3,453
Operating income	$13,115	$11,828	$ 1,287

Operating income for the Regulated Energy segment for the quarter ended September 30, 2016 was $13.1 million, an increase of $1.3 million, or 10.9 percent, compared to the same quarter in 2015. The increased operating income was due primarily to an increase in gross margin of $4.7 million, partially offset by an increase in operating expenses of $3.4 million.

Gross Margin

Items contributing to the quarter-over-quarter increase of $4.7 million, or 11.7 percent, in gross margin are listed in the following table:

(in thousands)	
Gross margin for the three months ended September 30, 2015	$40,635
Factors contributing to the gross margin increase for the three months ended September 30, 2016:	
Service expansions	1,577
Natural gas growth (excluding service expansions)	943
Additional revenue from GRIP in Florida	920
Implementation of Delaware Division interim rates	469
Margin from service to Eight Flags	464
Sandpiper SIR	226
Other	141
Gross margin for the three months ended September 30, 2016	$45,375

The following is a narrative discussion of the significant items, which we believe is necessary to understand the information disclosed in the foregoing table.

Service Expansions

Increased gross margin from natural gas service expansions was generated primarily from the following:

- $901,000 attributable to $1.9 million from the short-term OPT ≤ 90 Service that commenced in December 2015 to an electric power generator in Kent County, Delaware and offset by a $1.0 million decrease in gross margin from the conclusion of the interruptible service Eastern Shore provided this customer in 2015. The short-term OPT ≤ 90 Service is expected to be replaced by a 20-year OPT ≤ 90 Service in the first quarter of 2017.
- $617,000 from short-term firm service that commenced in March 2016, following certain measurement and related improvements to Eastern Shore's interconnect with TETLP that increased its natural gas receipt capacity from TETLP by 53,000 Dts/d, for a total capacity of 160,000 Dts/d. This service will generate approximately $1.4 million in additional gross margin in 2016. The remaining capacity is available for firm or interruptible service.

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Natural Gas Growth (excluding service expansions)
Increased gross margin of $943,000 from other growth in natural gas (excluding service expansions) was generated primarily from the following:

- $368,000 from Eastern Shore interruptible service provided to customers;
- $350,000 from Florida natural gas customer growth due primarily to new services to commercial and industrial customers; and
- $253,000 from a 4.2 percent increase in the average number of residential customers in the Delmarva natural gas distribution operations, as well as growth in the number of commercial and industrial customers.

Additional Revenue from GRIP in Florida
Additional GRIP investments during 2015 and 2016 by our Florida natural gas distribution operations generated $920,000 in additional gross margin in the third quarter of 2016, compared to the same period in 2015.
Implementation of Delaware Division Interim Rates
Delaware Division generated additional gross margin of $469,000 from the implementation of interim rates as a result of its rate case filing. See Note 4, Rates and Other Regulatory Activities, to the condensed consolidated financial statements for additional details.

Margin from service to Eight Flags
We generated additional gross margin of $464,000 in the third quarter of 2016, compared to the same period in 2015, from new natural gas transmission and distribution services provided to our Eight Flags' CHP plant.

Sandpiper SIR
Sandpiper generated additional gross margin of $226,000, in the third quarter of 2016, compared to the same period in 2015, from a higher system improvement rate resulting from the continuing conversion of the Sandpiper system from propane service to natural gas service.
Other Operating Expenses
Other operating expenses increased by $3.4 million. The significant components of the increase in other operating expenses included:

- $1.3 million in higher payroll and benefits costs for additional personnel to support growth;
- $702,000 in higher outside services costs primarily associated with growth and ongoing compliance activities;
- $517,000 in higher facilities costs to support growth; and
- $401,000 in higher depreciation, asset removal and property tax costs associated with recent capital investments to support growth and system integrity.

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For the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015

	Nine Months Ended September 30,		Increase
	2016	2015	(decrease)
(in thousands)			
Revenue	$226,630	$235,438	$(8,808)
Cost of sales	81,184	101,414	(20,230)
Gross margin	145,446	134,024	11,422
Operations & maintenance	64,673	59,648	5,025
Depreciation & amortization	18,909	18,109	800
Other taxes	9,204	8,650	554
Other operating expenses	92,786	86,407	6,379
Operating income	$52,660	$47,617	$5,043

Operating income for the Regulated Energy segment for the nine months ended September 30, 2016 was $52.7 million, an increase of $5.0 million, or, 10.6 percent, compared to the same period in 2015. The increased operating income was primarily due to an increase in gross margin of $11.4 million partially offset by a $6.4 million increase in operating expenses to support growth.

Gross Margin

Items contributing to the period-over-period increase of $11.4 million, or 8.5 percent, in gross margin are listed in the following table:

(in thousands)	
Gross margin for the nine months ended September 30, 2015	$134,024
Factors contributing to the gross margin increase for the nine months ended September 30, 2016:	
Service expansions	5,516
Additional revenue from GRIP in Florida	3,069
Natural gas growth (excluding service expansions)	2,630
Implementation of Delaware Division interim rates	1,350
Margin from service to Eight Flags	892
Sandpiper SIR	618
Decreased customer consumption - weather and other	(2,141)
Other	(512)
Gross margin for the nine months ended September 30, 2016	$145,446

The following is a narrative discussion of the significant items, which we believe is necessary to understand the information disclosed in the foregoing table.

Service Expansions

Increased gross margin from natural gas service expansions was generated primarily from the following:

- $4.3 million attributable to $5.6 million from the short-term OPT ≤ 90 Service that commenced in December 2015 to an electric power generator in Kent County, Delaware and offset by a $1.3 million decrease in gross margin from the conclusion of the interruptible service Eastern Shore provided this customer in 2015. The short-term OPT ≤ 90 Service is expected to be replaced by a 20-year OPT ≤ 90 Service in the first quarter of 2017.
- $744,000 from short-term firm service that commenced in March 2016, following certain measurement and related improvements to Eastern Shore's interconnect with TETLP that increased its natural gas receipt capacity from TETLP by 53,000 Dts/d, for a total capacity of 160,000 Dts/d. This service will generate approximately $1.4 million in additional gross margin in 2016. The remaining capacity is available for firm or interruptible service.
- $720,000 from natural gas transmission service as part of the major expansion initiative in Polk County, Florida.

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- The foregoing gross margin increases were offset by a gross margin decrease of $243,000 resulting from a reduction in rates for a long-term firm service to an industrial customer in New Castle County, Delaware.

Additional Revenue from GRIP in Florida

Additional GRIP investments during 2015 and 2016 by our Florida natural gas distribution operations generated $3.1 million in additional gross margin during the first nine months of 2016, compared to the same period in 2015.

Natural Gas Growth (excluding service expansions)

Increased gross margin from other growth in natural gas (excluding service expansions) was generated primarily from the following:

- $1.1 million from a 3.5 percent increase in the average number of residential customers in the Delmarva natural gas distribution operations, as well as growth in the number of commercial and industrial customers.
- $1.1 million from Florida natural gas customer growth due primarily to new services to commercial and industrial customers.
- $348,000 from Eastern Shore interruptible service provided to other customers.

Implementation of Delaware Division Interim Rates

Our Delaware Division generated additional gross margin of $1.4 million from the implementation of interim rates as a result of its rate case filing, during the first nine months of 2016. See Note 4, Rates and Other Regulatory Activities, to the condensed consolidated financial statements for additional details.

Margin from service to Eight Flags

We generated additional gross margin of $892,000 from new natural gas transmission and distribution services provided to our Eight Flags' CHP plant, commencing in June of 2016.

Sandpiper SIR Rates

Sandpiper generated additional gross margin of $618,000 from a higher system improvement rate resulting from the continuing conversion of the Sandpiper system from propane service to natural gas service.

Decreased Customer Consumption - Weather and Other

The above increases were partially offset by $2.1 million in lower gross margin due to reduced consumption of natural gas and electricity, largely as a result of warmer weather during the first quarter of 2016, compared to the same period in 2015.

Other Operating Expenses

Other operating expenses increased by $6.4 million. The significant components of the increase in other operating expenses included:

- $2.0 million in higher payroll and benefits costs for additional personnel to support growth;
- $1.4 million due to the absence of a $1.5 million gain from a customer billing system settlement, recorded in 2015, which was partially offset by an associated gain of $130,000 during the third quarter of 2016, representing an additional current portion of the contingent settlement recovery;
- $1.4 million in higher depreciation, asset removal and property tax costs associated with recent capital investments to support growth and system integrity; and
- $817,000 in higher outside services costs primarily associated with growth and ongoing compliance activities.

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Unregulated Energy Segment

For the quarter ended September 30, 2016 compared to the quarter ended September 30, 2015

	Three Months Ended September 30,		Increase
	2016	2015	(decrease)
(in thousands)			
Revenue	$42,042	$29,609	$12,433
Cost of sales	31,840	19,402	12,438
Gross margin	10,202	10,207	(5)
Operations & maintenance	10,975	9,305	1,670
Depreciation & amortization	1,840	1,483	357
Other taxes	467	441	26
Other operating expenses	13,282	11,229	2,053
Operating Loss	$(3,080)	$(1,022)	$(2,058)

Operating loss for the Unregulated Energy segment for the quarter ended September 30, 2016 was $3.1 million, an increase of $2.1 million compared to the same quarter of 2015. The Unregulated Energy segment typically reports an operating loss in the third quarter due to the seasonal nature the businesses included in this segment. Gross margin for the quarter was $10.2 million, which was more than offset by operating expenses of $13.3 million, to generate the operating loss of $3.1 million.

Gross Margin

Items contributing to the quarter-over-quarter decrease of $5,000 in gross margin are listed in the following table:

(in thousands)	
Gross margin for the three months ended September 30, 2015	$10,207
Factors contributing to the gross margin decrease for the three months ended September 30, 2016:	
Eight Flags	1,570
Aspire Energy	(407)
Lower margins for Xeron	(413)
Decreased retail propane margins	(414)
Other	(341)
Gross margin for the three months ended September 30, 2016	$10,202

The following is a discussion of the significant items, which we believe is necessary to understand the information disclosed in the foregoing table.

Eight Flags

Eight Flags' CHP plant, which commenced operations in June 2016, generated $1.6 million in additional gross margin.

Aspire Energy

$407,000 of decreased gross margin from Aspire Energy as a result of increased deliveries and imbalance positions that favorably impacted Aspire Energy in the third quarter of 2015, which are non-recurring. Lower margin associated with system volumes and imbalance positions in third quarter of 2016, also contributed to the decrease.

Lower Margins for Xeron

Xeron's gross margin decreased by $413,000 resulting from lower margins on executed trades.

Decreased Retail Propane Margins
Lower retail propane margins for our Delmarva and Florida propane distribution operations decreased gross margin by $414,000, of which $344,000 is associated with the Delmarva Peninsula propane distribution operation, as retail margins per gallon returned

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to more normal levels; accordingly, we have continued to assume more normal levels of margins in our long-term financial plans and forecasts. The decline in margin was driven principally by lower propane prices and local market conditions. The level of retail margins per gallon generated during 2015 were not expected to be sustained over the long term.

Other Operating Expenses

Other operating expenses increased by $2.1 million. The significant components of the increase in other operating expenses included:

- $1.1 million in other operating expenses incurred by the Eight Flags CHP plant;
- $545,000 in higher payroll and benefits costs for additional personnel to support growth; and
- $225,000 in higher outside services costs primarily associated with growth and ongoing compliance activities.

For the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015

	Nine Months Ended September 30, 2016	2015	Increase (decrease)
(in thousands)			
Revenue	$136,361	123,164	$13,197
Cost of sales	90,981	77,235	13,746
Gross margin	45,380	45,929	(549)
Operations & maintenance	30,136	26,993	3,143
Depreciation & amortization	4,512	3,973	539
Other taxes	1,465	1,297	168
Other operating expenses	36,113	32,263	3,850
Operating Income	$9,267	$13,666	$(4,399)

Operating income for the Unregulated Energy segment for the nine months ended September 30, 2016 was $9.3 million, a decrease of $4.4 million, or 32.2 percent for the same period of 2015. The results for the first nine months include an increase in gross margin of $4.5 million and other operating expenses of $2.5 million, each associated with Aspire Energy. Excluding these impacts from Aspire Energy, gross margin decreased by $5.1 million, and other operating expenses increased by $1.4 million.

Gross Margin

Items contributing to the period-over-period decrease of $549,000 in gross margin are listed in the following table:

(in thousands)	
Gross margin for the nine months ended September 30, 2015	$45,929
Factors contributing to the gross margin decrease for the nine months ended September 30, 2016:	
Aspire Energy	4,542
Eight Flags	1,689
Natural gas marketing	1,062
Lower margins for Xeron	(419)
Decreased wholesale propane sales	(436)
Decreased retail propane margins	(2,204)
Decreased customer consumption - weather and other	(4,059)
Other	(724)
Gross margin for the nine months ended September 30, 2016	$45,380

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The following is a discussion of the significant items, which we believe is necessary to understand the information disclosed in the foregoing table.

Aspire Energy
Aspire Energy generated $8.2 million in gross margin compared to $3.7 million in the same period of 2015, an increase of $4.5 million. Results for the first nine months of 2015 reflect only six months of margin for Aspire Energy, which became a wholly-owned subsidiary of Chesapeake Utilities on April 1, 2015. In addition, Aspire Energy generated additional margins as a result of pricing amendments to long-term gas sales agreements, additional management fees and the optimization of gathering system receipts and deliveries.

Eight Flags
Eight Flags' CHP plant, which commenced operations in June 2016, generated $1.7 million in additional gross margin.

Natural Gas Marketing
PESCO generated $1.1 million in additional gross margin due to customer growth and the positive impact from favorable supply management and hedging activities, which generated additional gross margin.

Lower Margins for Xeron
Xeron's gross margin decreased by $419,000 resulting from lower margins on executed trades.

Decreased Propane Wholesale Sales
Gross margin decreased by $436,000 as a result of lower propane wholesale sales associated with the supply agreement between an affiliate of ESG and Sandpiper Energy. The lower sales are expected as more customers in Ocean City, Maryland and surrounding areas are converted from propane to natural gas. Lower sales due to significantly warmer weather in the first nine months of 2016 compared to the same period in 2015, also contributed to this decrease.

Decreased Retail Propane Margins
Lower retail propane margins for our Delmarva propane distribution operation decreased gross margin by $2.2 million, as margins per retail gallon returned to more normal levels. The decline in margin was driven principally by lower propane prices and local market conditions. The level of retail margins per gallon generated during 2015 were not expected to be sustained over the long term; accordingly, we have continued to assume more normal levels of margins in our long-term financial plans and forecasts.
This decrease was partially offset by $61,000 in higher retail propane margins per gallon for our Florida propane distribution operation as a result of local market conditions.

Decreased Customer Consumption - Weather and Other
Gross margin decreased by $4.1 million due to lower customer consumption of propane. The decrease was driven mainly by weather as a result of warmer temperatures on the Delmarva Peninsula during the first nine months of 2016 compared to colder temperatures during the first nine months of 2015.

Other Operating Expenses
Other operating expenses increased by $3.9 million. The significant components of the increase in other operating expenses included:

- $2.5 million in other operating expenses incurred by Aspire Energy, given the additional quarter's results included in 2016, compared to only six months of results in the nine months ended September 30, 2015; and
- $1.1 million in other operating expenses incurred by Eight Flags, which commenced operations in June 2016.

Interest Charges

For the quarter ended September 30, 2016 compared to the quarter ended September 30, 2015

Interest charges for the three months ended September 30, 2016 increased by approximately $230,000, compared to the same quarter in 2015, attributable to an increase of $392,000 in interest from higher short-term borrowings, partially offset by a decrease of $117,000 in interest from long-term debt.

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For the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015
Interest charges for the nine months ended September 30, 2016 increased by approximately $571,000, compared to the same period in 2015, attributable to an increase of $1.1 million in interest from higher short-term borrowings, partially offset by a decrease of $352,000 in interest from long-term debt.

Income Taxes
For the quarter ended September 30, 2016 compared to the quarter ended September 30, 2015
Income tax expense was $3.0 million in the third quarter of 2016, compared to $3.3 million in the same quarter in 2015. The slight decrease in income tax expense was due primarily to lower taxable income. Our effective income tax rate was 40.4 percent and 39.4 percent, for the third quarter of 2016 and 2015, respectively.

For the nine months ended September 30, 2016 compared to the nine months ended September 30, 2015
Income tax expense was $21.4 million in the nine months ended September 30, 2016, compared to $21.6 million in the same period in 2015. The slight decrease in income tax expense was due primarily to lower taxable income. Our effective income tax rate was 39.5 percent and 40.0 percent, for the first nine months of 2016 and 2015, respectively.

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FINANCIAL POSITION, LIQUIDITY AND CAPITAL RESOURCES

Our capital requirements reflect the capital-intensive and seasonal nature of our business and are principally attributable to investment in new plant and equipment, retirement of outstanding debt and seasonal variability in working capital. We rely on cash generated from operations, short-term borrowings, and other sources to meet normal working capital requirements and to temporarily finance capital expenditures. We may also issue long-term debt and equity to fund capital expenditures and to more closely align our capital structure to target.

Our energy businesses are weather-sensitive and seasonal. We normally generate a large portion of our annual net income and subsequent increases in our accounts receivable in the first and fourth quarters of each year due to significant volumes of natural gas, electricity, and propane delivered to customers through our natural gas, electric, and propane distribution operations and our natural gas gathering and processing operation during the peak heating season. In addition, our natural gas and propane inventories, which usually peak in the fall months, are largely drawn down in the heating season and provide a source of cash as the inventory is used to satisfy winter sales demand.

Our capital expenditures for the nine months ended September 30, 2016 were approximately $106.3 million. We currently project aggregate capital expenditures between $150.0 and $170.0 million in 2016. Our current forecast by segment and business line is shown below:

	Low	High
(dollars in thousands)		
Regulated Energy:		
Natural gas distribution	$60,000	$65,000
Natural gas transmission	55,000	60,000
Electric distribution	10,000	13,000
Total Regulated Energy	125,000	138,000
Unregulated Energy:		
Propane distribution	10,000	12,000
Other unregulated energy	10,000	13,000
Total Unregulated Energy	20,000	25,000
Other	5,000	7,000
Total 2016 capital expenditures	$150,000	$170,000

The 2016 forecast includes expenditures for the following projects: Eight Flags' CHP plant; anticipated new facilities to serve an electric power generator in Kent County, Delaware under the OPT ≤ 90 Service; Eastern Shore's system reliability project; additional expansions of our natural gas distribution and transmission systems; continued natural gas infrastructure improvement activities; expenditures for continued replacement under the Florida GRIP; replacement of several facilities and information technology systems; and other strategic initiatives and investments.

Actual capital requirements may vary from the above estimates due to a number of factors, including changing economic conditions, customer growth in existing areas, regulation, new growth or acquisition opportunities and availability of capital. Historically, actual capital expenditures have typically lagged behind the budgeted amounts. The timing of capital expenditures can vary based on securing environmental approvals and other permits. The regulatory application and approval process has lengthened, and we expect this trend to continue.

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Capital Structure

We are committed to maintaining a sound capital structure and strong credit ratings to provide the financial flexibility needed to access capital markets when required. This commitment, along with adequate and timely rate relief for our regulated operations, is intended to ensure our ability to attract capital from outside sources at a reasonable cost. We believe that the achievement of these objectives will provide benefits to our customers, creditors and investors. The following table presents our capitalization, excluding and including short-term borrowings, as of September 30, 2016 and December 31, 2015:

	September 30, 2016		December 31, 2015	
(in thousands)				
Long-term debt, net of current maturities	$143,525	25 %	$149,006	29 %
Stockholders' equity	438,300	75 %	358,138	71 %
Total capitalization, excluding short-term debt	$581,825	100%	$507,144	100%

	September 30, 2016		December 31, 2015	
(in thousands)				
Short-term debt	$154,490	20 %	$173,397	25 %
Long-term debt, including current maturities	155,612	21 %	158,157	23 %
Stockholders' equity	438,300	59 %	358,138	52 %
Total capitalization, including short-term debt	$748,402	100%	$689,692	100%

Included in the long-term debt balances at September 30, 2016 and December 31, 2015, was a capital lease obligation associated with Sandpiper's capacity, supply and operating agreement ($2.4 million and $3.5 million, respectively, net of current maturities, and $3.8 million and $4.8 million, respectively, including current maturities). Sandpiper entered into this six-year agreement at the closing of the ESG acquisition in May 2013. The capacity portion of this agreement is accounted for as a capital lease.

Our target ratio of equity to total capitalization, including short-term borrowings, is between 50 and 60 percent. On September 22, 2016, we completed a public offering of 960,488 shares of our common stock at a price per share of $62.26. The net proceeds from the sale of common stock, after deducting underwriting commissions and expenses, were approximately $57.3 million, which were added to our general funds and used primarily to repay a portion of our short-term debt under unsecured lines of credit. The issuance of equity resulted in our equity to total capitalization ratio representing 59% as of September 30, 2016.

As described below under "Short-term Borrowings," we entered into the Credit Agreement and the Revolver with the Lenders on October 8, 2015, which increased our borrowing capacity by $150.0 million. To facilitate the refinancing of a portion of the short-term borrowings into long-term debt, as appropriate, we also entered into a long-term Shelf Agreement with Prudential for the potential private placement of Shelf Notes as further described below under the heading "Shelf Agreement."

For larger capital projects, to the extent feasible, we will seek to align any planned long-term debt or equity issuances with the earnings associated with the commencement of long-term service for larger revenue-generating capital projects. The exact timing of any long-term debt or equity issuances will be based on market conditions.

Short-term Borrowings

Our outstanding short-term borrowings at September 30, 2016 and December 31, 2015 were $154.5 million and $173.4 million, respectively. The weighted average interest rates for our short-term borrowings were 1.49 percent and 1.09 percent, for the nine months ended September 30, 2016 and 2015, respectively.

We utilize bank lines of credit to provide funds for our short-term cash needs to meet seasonal working capital requirements and to temporarily fund portions of the capital expenditure program. As of September 30, 2016, we had four unsecured bank credit facilities with three financial institutions totaling $170.0 million in total available credit. In addition, since October 2015, we have $150.0 million of additional short-term debt capacity available under the Revolver with five participating Lenders. The terms of the Revolver are described in further detail below. We also had access to two credit facilities with a total of $40.0 million of available credit. The Revolver replaced these credit facilities when they expired on October 31, 2015. None of the unsecured bank lines of credit requires compensating balances. We are currently authorized by our Board of Directors to borrow up to $275.0 million of short-term borrowing.

The $150.0 million Revolver has a five-year term and is subject to the terms and conditions set forth in the Credit Agreement. Borrowings under the Revolver will be used for general corporate purposes, including repayments of short-term borrowings, working capital requirements and capital expenditures. Borrowings under the Revolver will bear interest at: (i) the LIBOR Rate

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plus an applicable margin of 1.25 percent or less, with such margin based on total indebtedness as a percentage of total capitalization, both as defined by the Credit Agreement, or (ii) the base rate plus 0.25% or less. Interest is payable quarterly, and the Revolver is subject to a commitment fee on the unused portion of the facility. We have the right, under certain circumstances, to extend the expiration date for up to two years on any anniversary date of the Revolver, with such extension subject to the Lenders' approval. We may also request the Lenders to increase the Revolver to $200.0 million, with any increase at the sole discretion of each Lender. At September 30, 2016 and December 31, 2015, we had outstanding borrowings of $50.0 million and $35.0 million, respectively, under the Revolver.

Shelf Agreement

On October 8, 2015, we entered into a Shelf Agreement with Prudential. Under the terms of the Shelf Agreement, through October 8, 2018, we may request that Prudential purchase up to $150.0 million of our Shelf Notes at a fixed interest rate and with a maturity date not to exceed 20 years from the date of issuance. Prudential is under no obligation to purchase any of the Shelf Notes. The interest rate and terms of payment of any series of Shelf Notes will be determined at the time of purchase. We currently anticipate the proceeds from the sale of any series of Shelf Notes will be used for general corporate purposes, including refinancing of short-term borrowing and/or repayment of outstanding indebtedness and financing capital expenditures on future projects; however, actual use of such proceeds will be determined at the time of a purchase.

On May 13, 2016, we submitted a request that Prudential purchase $70.0 million of 3.25 percent Shelf Notes under the Shelf Agreement. On May 20, 2016, Prudential accepted and confirmed our request. The proceeds received from the issuances of the Shelf Notes will be used to reduce short-term borrowings under the Company’s revolving credit facility, lines of credit and/or to fund capital expenditures. The closing of the sale and issuance of the Shelf Notes is expected to occur on or before April 28, 2017.

The Shelf Agreement sets forth certain business covenants to which we are subject when any Shelf Note is outstanding, including covenants that limit or restrict our ability, and the ability of our subsidiaries, to incur indebtedness, place or permit liens and encumbrances on any of our property or the property of our subsidiaries.

Cash Flows

The following table provides a summary of our operating, investing and financing cash flows for the nine months ended September 30, 2016 and 2015:

	Nine Months Ended September 30,	
	2016	2015
(in thousands)		
Net cash provided by (used in):		
Operating activities	$82,225	$93,932
Investing activities	(106,992)	(118,233)
Financing activities	23,448	23,508
Net decrease in cash and cash equivalents	(1,319)	(793)
Cash and cash equivalents—beginning of period	2,855	4,574
Cash and cash equivalents—end of period	$1,536	$3,781

Cash Flows Provided By Operating Activities

Changes in our cash flows from operating activities are attributable primarily to changes in net income, non-cash adjustments for depreciation, deferred income taxes and working capital. Changes in working capital are determined by a variety of factors, including weather, the prices of natural gas, electricity and propane, the timing of customer collections, payments for purchases of natural gas, electricity and propane, and deferred fuel cost recoveries.

During the nine months ended September 30, 2016 and 2015, net cash provided by operating activities was $82.2 million and $93.9 million, respectively, resulting in a decrease in cash flows of $11.7 million. Significant operating activities generating the cash flows change were as follows:

- Net income, adjusted for reconciling activities, increased cash flows by $15.4 million, due primarily to an increase in deferred income taxes as a result of the availability and utilization of bonus depreciation in the first nine months of 2016, which resulted in a higher book-to-tax timing difference and higher non-cash adjustments for depreciation and amortization.

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- Changes in net regulatory assets and liabilities decreased cash flows by $9.8 million, due primarily to changes in fuel costs collected through the various fuel cost recovery mechanisms.
- Changes in net accounts receivable and accrued revenue and accounts payable and accrued liabilities decreased cash flows by $12.2 million, due primarily to higher revenues and the timing of the receipt of customer payments as well as increased operating expenses and the timing of payments to vendors.
- Changes in propane, natural gas and materials inventories decreased net cash flows by approximately $5.3 million.

Cash Flows Used in Investing Activities

Net cash used in investing activities totaled $107.0 million and $118.2 million during the nine months ended September 30, 2016 and 2015, respectively, resulting in an increase in cash flows of $11.2 million. This was due primarily to the $20.7 million net cash ($27.5 million cash paid, less $6.8 million of cash acquired) used for the Gatherco acquisition in 2015. An increase in capital investments of $9.7 million partially offset this decrease.

Cash Flows Provided by Financing Activities

Net cash provided by financing activities totaled $23.4 million in the first nine months of both 2016 and 2015. Net proceeds of $57.3 million, after deducting underwriting commissions and expenses, from the issuance of common stock during the third quarter of 2016, was used to pay down short-term debt. Net cash provided by financing activities further increased as a result of an increase in a cash overdraft of $2.5 million and an increase in short-term borrowing of $35.9 million, partially offset by common stock dividends of $13.0 million and $600,000 of stock issued for the Dividend Reinvestment Plan. During the nine months ended September 30, 2015, there were approximately $31.6 million in net additional borrowings, offset by common stock dividends of $11.7 million and $633,000 of stock issued for the Dividend Reinvestment Plan.

Off-Balance Sheet Arrangements

We have issued corporate guarantees to certain vendors of our subsidiaries, primarily Xeron and PESCO, which provide for the payment of propane and natural gas purchases in the event that the subsidiary defaults. Neither subsidiary has ever defaulted on its obligations to pay its suppliers. The liabilities for these purchases are recorded in our financial statements when incurred. The aggregate amount guaranteed at September 30, 2016 was $53.9 million, with the guarantees expiring on various dates through September 2017.

We have issued letters of credit totaling $8.4 million related to the electric transmission services for FPU's northwest electric division, the firm transportation service agreement between TETLP and our Delaware and Maryland divisions, and to our current and previous primary insurance carriers. These letters of credit have various expiration dates through September 2017. There have been no draws on these letters of credit as of September 30, 2016. We do not anticipate that the letters of credit will be drawn upon by the counterparties, and we expect that they will be renewed to the extent necessary in the future. Additional information is presented in Item 1, Financial Statements, Note 6, Other Commitments and Contingencies in the Condensed Consolidated Financial Statements.

Contractual Obligations

There has been no material change in the contractual obligations presented in our 2015 Annual Report on Form 10-K, except for commodity purchase obligations and forward contracts entered into in the ordinary course of our business. The following table summarizes commodity and forward contract obligations at September 30, 2016:

	Payments Due by Period				
	Less than 1 year	1 - 3 years	3 - 5 years	More than 5 years	Total
(in thousands)					
Purchase obligations - Commodity [1]	$42,155	$ 3,417	$ —	$ —	$45,572

[1] In addition to the obligations noted above, we have agreements with commodity suppliers that have provisions with no minimum purchase requirements. There are no monetary penalties for reducing the amounts purchased; however, the propane contracts allow the suppliers to reduce the amounts available in the winter season if we do not purchase specified amounts during the summer season. Under these contracts, the commodity prices will fluctuate as market prices fluctuate.

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Rates and Regulatory Matters

Our natural gas distribution operations in Delaware, Maryland and Florida and electric distribution operation in Florida are subject to regulation by the respective state PSC; Eastern Shore is subject to regulation by the FERC; and Peninsula Pipeline is subject to regulation by the Florida PSC. At September 30, 2016, we were involved in regulatory matters in each of the jurisdictions in which we operate. Our significant regulatory matters are fully described in Note 4, Rates and Other Regulatory Activities, to the unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Recent Authoritative Pronouncements on Financial Reporting and Accounting

Recent accounting developments applicable to us and their impact on our financial position, results of operations and cash flows are described in Note 1, Summary of Accounting Policies, to the unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market risk represents the potential loss arising from adverse changes in market rates and prices. Long-term debt is subject to potential losses based on changes in interest rates. Our long-term debt consists of fixed-rate senior notes and secured debt. All of our long-term debt, excluding a capital lease obligation, is fixed-rate debt and was not entered into for trading purposes. The carrying value of our long-term debt, including current maturities, but excluding a capital lease obligation, was $151.8 million at September 30, 2016, as compared to a fair value of $173.5 million, using a discounted cash flow methodology that incorporates a market interest rate based on published corporate borrowing rates for debt instruments with similar terms and average maturities, with adjustments for duration, optionality, credit risk, and risk profile. We evaluate whether to refinance existing debt or permanently refinance existing short-term borrowing, based in part on the fluctuation in interest rates.

Our propane distribution business is exposed to market risk as a result of our propane storage activities and entering into fixed price contracts for supply. We can store up to approximately 6.8 million gallons of propane (including leased storage and rail cars) during the winter season to meet our customers’ peak requirements and to serve metered customers. Decreases in the wholesale price of propane may cause the value of stored propane to decline. To mitigate the impact of price fluctuations, we have adopted a Risk Management Policy that allows the propane distribution operation to hedge its inventory.

In 2016, PESCO entered into a SCO supplier agreement with Columbia Gas to provide natural gas supply for Columbia Gas to service one of its local distribution customer tranches. PESCO also assumed the obligation to store natural gas inventory to satisfy its obligations under the SCO supplier agreement, which terminates on March 31, 2017. In conjunction with the SCO supplier agreement, PESCO entered into natural gas futures contracts during the second quarter of 2016 in order to protect its natural gas inventory against market price fluctuations.

Our propane wholesale marketing operation is a party to propane and crude oil futures and forward contracts, with various third parties, which require that the propane wholesale marketing operation purchase or sell natural gas liquids or crude oil at a fixed price at fixed future dates. At expiration, the contracts are typically settled financially without taking physical delivery of propane or crude oil. The propane wholesale marketing operation also enters into futures contracts that are traded on the Intercontinental Exchange, Inc. In certain cases, the futures contracts are settled by the payment or receipt of a net amount equal to the difference between the current market price of the futures contract and the original contract price; however, they may also be settled by physical receipt or delivery of propane or crude oil. The forward and futures contracts are entered into for trading and wholesale marketing purposes. The propane wholesale marketing business is subject to commodity price risk on its open positions to the extent that market prices for natural gas liquids deviate from fixed contract settlement prices. Market risk associated with the trading of futures and forward contracts is monitored daily for compliance with our Risk Management Policy, which includes dollar limits for open positions. To manage exposures to changing market prices, open positions are marked up or down to market prices and reviewed daily by our oversight officials. In addition, the Risk Management Committee reviews periodic reports on markets and the credit risk of counter-parties, approves any exceptions to the Risk Management

Policy (within limits established by the Board of Directors) and authorizes the use of any new types of contracts. As of September 30, 2016, there were no outstanding contracts.
We have entered into agreements with various suppliers to purchase natural gas, electricity and propane for resale to our customers. Purchases under these contracts either do not meet the definition of derivatives or are considered “normal purchases and sales” and are accounted for on an accrual basis.

At September 30, 2016 and December 31, 2015, we marked these forward and other contracts to market, using market transactions in either the listed or OTC markets, which resulted in the following assets and liabilities:

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(in thousands)	September 30, 2016	December 31, 2015
Mark-to-market energy assets, including call options, swap agreements and futures	$ 477	$ 153
Mark-to-market energy liabilities, including swap agreements and futures	$ 29	$ 433

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Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer of Chesapeake Utilities, with the participation of other Company officials, have evaluated our "disclosure controls and procedures" (as such term is defined under Rules 13a-15(e) and 15d-15(e), promulgated under the Securities Exchange Act of 1934, as amended) as of September 30, 2016. Based upon their evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2016.

Changes in Internal Control over Financial Reporting

During the quarter ended September 30, 2016, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II—OTHER INFORMATION

Item 1. Legal Proceedings

As disclosed in Note 6, Other Commitments and Contingencies, of the unaudited condensed consolidated financial statements in this Quarterly Report on Form 10-Q, we are involved in certain legal actions and claims arising in the normal course of business. We are also involved in certain legal and administrative proceedings before various governmental or regulatory agencies concerning rates and other regulatory actions. In the opinion of management, the ultimate disposition of these proceedings and claims will not have a material effect on our condensed consolidated financial position, results of operations or cash flows.

Item 1A. Risk Factors

Our business, operations, and financial condition are subject to various risks and uncertainties. The risk factors described in Part I, “Item 1A. Risk Factors” in our Annual Report on Form 10-K, for the year ended December 31, 2015, should be carefully considered, together with the other information contained or incorporated by reference in this Quarterly Report on Form 10-Q and in our other filings with the SEC in connection with evaluating Chesapeake Utilities, our business and the forward-looking statements contained in this Quarterly Report on Form 10-Q. Additional risks and uncertainties not known to us at present, or that we currently deem immaterial, also may affect Chesapeake Utilities. The occurrence of any of these known or unknown risks could have a material adverse impact on our business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [(2)]	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Programs [(2)]
July 1, 2016 through July 30, 2016 [(1)]	366	$ 66.35	—	—
August 1, 2016 through August 31, 2016	—	$ —	—	—
September 1, 2016 through September 30, 2016	—	$ —	—	—
Total	366	$ 66.35	—	—

(1) Chesapeake Utilities purchased shares of stock on the open market for the purpose of reinvesting the dividend on deferred stock units held in the Rabbi Trust accounts for certain Directors and Senior Executives under the Deferred Compensation Plan. The Deferred Compensation Plan is discussed in detail in Item 8 under the heading “Notes to the Consolidated Financial Statements—Note 16, Employee Benefit Plans” in our latest Annual Report on Form 10-K for the year ended December 31, 2015. During the quarter ended September 30, 2016, 366 shares were purchased through the reinvestment of dividends on deferred stock units.

(2) Except for the purposes described in Footnote [(1)], Chesapeake Utilities has no publicly announced plans or programs to repurchase its shares.

Item 3. Defaults upon Senior Securities

None.

Item 5. Other Information

None.

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Item 6. Exhibits

1.1	Underwriting Agreement entered into by Chesapeake Utilities Corporation and Wells Fargo Securities, LLC, RBC Capital Markets, LLC, Janney Montgomery Scott LLC., Robert W. Baird & Co., Incorporated, J.J.B. Hilliard, W.L. Lyons, LLC, Ladenburg Thalmann & Co. Inc., U.S. Capital Advisors LLC and BB&T Securities, LLC on September 22, 2016, relating to the sale and issuance of 835,207 shares of the Company's common stock, is incorporated herein by reference to Exhibit 1.1 of the Company's current report on Form 8-K, filed on September 28, 2016, File No. 001-11590.
3.3	Second Amendment to the Amended and Restated Bylaws of Chesapeake Utilities Corporation, effective November 2, 2016, is filed herewith.
31.1	Certificate of Chief Executive Officer of Chesapeake Utilities Corporation pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certificate of Chief Financial Officer of Chesapeake Utilities Corporation pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certificate of Chief Executive Officer of Chesapeake Utilities Corporation pursuant to 18 U.S.C. Section 1350.
32.2	Certificate of Chief Financial Officer of Chesapeake Utilities Corporation pursuant to 18 U.S.C. Section 1350.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

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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, thereunto duly authorized.

CHESAPEAKE UTILITIES CORPORATION

/S/ BETH W. COOPER
Beth W. Cooper
Senior Vice President and Chief Financial Officer
Date: November 3, 2016

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